2024
FIRST-HALF FINANCIAL REPORT

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01 MANAGEMENT REPORT

1 ENGIE 2024 FIRST-HALF RESULTS

ENGIE First-half 2024 results

Good financial results in a "back-to-normal" market environment

Full year 2024 Guidance upgraded

Business highlights

- Energy market settling at a new normal
- More than 1 GW of additional renewables capacity in first-half and 6.9 GW under construction
- Renewables pipeline grew to 95 GW at end-June 2024
- Successful integration of BRP with 800 MW of battery capacity completed in first-half 2024
- Approval by the Chilean regulator for conversion of one coal-fired unit, a stage in our full exit from coal in Chile in 2025

Financial performance

- EBIT excluding nuclear of €5.6 billion, down 16.3% organically compared with a particularly high first-half 2023
- Net Recurring Income Group share at €3.8 billion
- Strong cash-flow generation with CFFO(1) at €8.9 billion
- Growth capex up 78% year-on-year
- Solid balance sheet with economic net debt / EBITDA of 3.1x at end-June 2024
- Decline of €0.8 billion in economic net debt to €45.8 billion
- Full-year 2024 guidance upgraded, with NRIgs(2) now expected in the range of €5.0 - 5.6 billion

1.1 Key financial figures at June 30, 2024

In billions of euros	June 30, 2024	June 30, 2023	% change (reported basis)	% change (organic basis)
Revenues	37.5	47.0	-20.2%	-20.4%
EBITDA (excluding Nuclear)	7.8	8.8	-11.2%	-11.7%
EBITDA	8.9	9.4	-4.7%	-5.0%
EBIT (excluding Nuclear)	5.6	6.7	-16.2%	-16.3%
Net recurring income of continuing activities, Group share	3.8	4.0	-6.9%	-5.9%
Net income, Group share	1.9	(0.8)		
CAPEX (1)	5.2	3.3	+57.0%	
Cash Flow From Operations (CFFO)	8.9	9.5	-6.2%	
Net financial debt	30.2	+€0.7 billion versus Dec. 31, 2023		
Economic net debt	45.8	-€0.8 billion versus Dec. 31, 2023		
Net financial debt	3.1x	Stable compared to Dec. 31, 2023		

(1) Net of DBSO sell down (Develop, Build, Share & Operate), US tax equity proceeds, including net debt acquired.

1.2 Strong operational progress

Renewables

ENGIE added over 1 GW of renewable capacity in first-half 2024, the bulk in Brazil (0.7 GW) and France (0.2 GW). At June 30, 2024, ENGIE had 6.9 GW of capacity under construction from 63 projects. The Group also signed 1.5 GW of PPAs (Power Purchase Agreements) the large majority of which with at least 5 years' duration. Of special note was the signing with Google of a series of new PPAs by which ENGIE will supply more than 118 MW of renewable energy to Google's digital infrastructure facilities in Belgium.

(1) Cash Flow From Operations: Free Cash Flow before maintenance Capex and nuclear provision funding.

(2) Net Recurring Income Group share.

The Group remains confident of achieving its annual target of 4 GW on average of additional renewables capacity up to 2025, with the support of a pipeline of 95 GW at end-June 2024 (up by 3 GW from the end of 2023).

Through its JV Ocean Winds, ENGIE installed the first turbines of the 882 MW Moray West offshore wind farm, as well as delivering the facility's first power on to the UK's electric grid. Ocean Winds also inaugurated the sub-station of the offshore Yeu-Noirmoutier wind farm. Finally, Ocean Winds was awarded exclusive development rights for a 1.3 GW offshore wind project in Australia.

Networks

As expected, the increase in gas storage, transmission and distribution tariffs, set by the French Energy Regulatory Commission (CRE) for the period 2024-27, took place on January 1st, April 1st and July 1st, 2024 respectively.

Renewable gas

Biomethane continues to develop in France with a yearly production capacity of up to 11.6 TWh connected to ENGIE's networks in France, an increase of 1.9 TWh compared to the end of June 2023. The decree obliging gas producers to support the development of biomethane production through Biogas Production Certificates (CPB), which had previously been announced in the Climate and Resilience law, was published.

In June 2024, ENGIE's gas transport subsidiary GRTgaz, together with Enagás et Teréga, signed an agreement for the joint development (JDA) of the BarMar hydrogen project, which will link Spain and France via a sea-based pipeline. The agreement defines the conditions under which the partners commit to collaborate for the project's development phase: subject to FID, Enagás will have a 50% share, GRTgaz 33.3% and Teréga 16.7%.

Battery Energy Storage Systems (BESS)

In first-half 2024, ENGIE completed 800MW of new capacity of which 775 MW in Texas. Those capacities are part of the portfolio pipeline of Broad Reach Power, which ENGIE acquired in second half of 2023. The integration of BRP is progressing with success, with some 90% of former BRP personnel retained by ENGIE and BRP's platform now used for ENGIE's entire US battery portfolio. Around 50% of the cash flows of these Texas-based batteries are covered for 5 years on average.

Energy Solutions

Energy Solutions had a strong first-half, achieving more than €2.8 billion of additional order intake in DHC networks. In France, the share of renewable energy in the networks that were won is close to 90%, whilst all expiring concessions have been renewed with additional extension programs of 62% of GWh sold on average.

Production of decarbonized energy on industrial sites is also developing well in France and overseas including supply of low-energy cooling for CapitaLand Investment Ltd in Singapore.

In energy performance and management, ENGIE benefited from its know-how by winning some flagship contracts notably in Lille (330 buildings) and Rome (1,100 buildings).

Disciplined capital allocation

In first-half 2024, gross Capex amounted to €5.2 billion of which €4.1 billion towards growth. 86% of the latter was dedicated to Renewables, Energy Solutions, and Flex Gen, in line with ENGIE's strategic roadmap.

Performance plan delivery

ENGIE continued its efforts towards operational excellence, with a €87 million contribution from the performance plan in first-half 2024.

1.3 Progress on key ESG targets

During first-half 2024, greenhouse gas emissions from energy production were reduced to 23 mt vs. 26 mt in first-half 2023, mainly due to a lower load factor on thermal generation facilities on the back of mild temperatures and market normalization.

The share of renewables in ENGIE's power generation portfolio was 41% at end-June 2024, unchanged versus the end of 2023.

In Chile, where ENGIE targets a full exit from coal in 2025, the regulator approved the conversion of one of the Group's three coal-fired plants to gas; the remaining two coal-fired units will be closed.

1.4 Successful employee share ownership

In June 2024, ENGIE successfully implemented its Link 2024 employee share ownership plan with nearly 30,000 employee subscribers in 18 countries. In total, 35% of employees worldwide have subscribed to the operation during the booking period. This is part of the Group's regular employee share ownership policy and will bring the employee share ownership rate to 3.5%.

1.5 Update on nuclear in Belgium

On April 18, 2024, the Belgian parliament voted a law adopting the final agreement that had been signed by ENGIE and the Belgian government in December 2023 related to the 10 year extension of the Tihange 3 and Doel 4 nuclear reactors as well as to all liabilities concerning nuclear waste.

Following the vote of this law, the European Union opened a formal "investigation procedure", as expected. This is the normal procedure to obtain the validation of the project under State aid rules in cases involving a contract-for-difference mechanism in the nuclear sector.

Closing of the operation is still expected by the end of the year.

1.6 First-half 2024 financial review

1.6.1. Revenues

Revenues at €37.5 billion were down 20.2% on a gross basis and down 20.4% on an organic basis.

Contributive revenues, after elimination of intercompany operations, by activity:

In millions of euros	June 30, 2024	June 30, 2023	% change (reported basis)	% change (organic basis)
Renewables	2,749	2,899	-5.2%	-8.5%
Networks	3,555	3,661	-2.9%	-2.6%
Energy Solutions	4,917	5,482	-10.3%	-10.2%
FlexGen	2,261	2,722	-16.9%	-16.1%
Retail	8,032	10,363	-22.5%	-22.2%
Others	15,974	21,838	-26.9%	-27.2%
of which GEMS	*15,573*	*21,492*	*-27.5%*	*-27.8%*
TOTAL REVENUES (excluding Nuclear)	**37,487**	**46,965**	**-20.2%**	**-20.5%**
Nuclear	38	63	-39.9%	-39.9%
TOTAL REVENUES	**37,525**	**47,028**	**-20.2%**	**-20.4%**

1.6.2. EBITDA

EBITDA (ex. nuclear) at €7.8 billion, was down 11.2% on a gross basis and down 11.7% on an organic basis.

1.6.3. EBIT

EBIT (ex. nuclear) at €5.6 billion was down 16.2% on a gross basis and down 16.3% on an organic basis.

- Forex: a net effect of €9 million driven by the appreciation of UK pound sterling and the Mexican peso partly offset by the depreciation of the Brazilian real.
- Scope: a net effect of €-16 million, the sale of a portion of the stake in TAG and the disposal of Pampa Sul partly offset by full consolidation of Kathu (South Africa).
- Temperatures in France: compared to average, the first-half 2024 temperature effect was a negative €104 million, generating a year-on-year negative variation of €-69 million across the Networks, Retail and GEMS businesses.

EBIT contribution by activity: decline due to GEMS largely offset by growth in Renewables, Energy Solutions and FlexGen

In millions of euros	June 30, 2024	June 30, 2023	% change (reported basis)	% change (organic basis)	o/w temp. effect (France) vs. 2023
Renewables	1,325	1,192	+11.1%	+5.7%	
Networks	1,151	1,358	-15.3%	-12.7%	(47)
Energy Solutions	266	132	+101.5%	+99.0%	
FlexGen	957	761	+25.8%	+31.9%	
Retail	304	489	-37.8%	-37.5%	(16)
Others	1,620	2,781	-41.7%	-41.9%	(6)
of which GEMS	*1,946*	*3,142*	*-38.1%*	*-38.1%*	*(6)*
TOTAL EBIT (excluding Nuclear)	**5,623**	**6,713**	**-16.2%**	**-16.3%**	**(69)**
Nuclear	770	239	+222.2%	+222.2%	
TOTAL EBIT	**6,392**	**6,952**	**-8.0%**	**-8.0%**	**(69)**

Activity/geography matrix

In millions of euros	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	June 30, 2024
Renewables	474	186	506	120	49	(11)	**1,325**
Networks	644	125	391	(2)	-	(7)	**1,151**
Energy Solutions	183	86	-	(7)	29	(25)	**266**
FlexGen	238	285	186	16	252	(20)	**957**
Retail	189	140	-	-	7	(32)	**304**
Others	-	(1)	-	3	-	1,618	**1,620**
Of which GEMS	-	-	-	-	-	*1,946*	***1,946***
TOTAL EBIT (excluding Nuclear)	**1,729**	**819**	**1,083**	**130**	**337**	**1,524**	**5,623**
Nuclear	220	550	-	-	-	-	**770**
TOTAL EBIT	**1,949**	**1,370**	**1,083**	**130**	**337**	**1,524**	**6,392**

In millions of euros	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	June 30, 2023
Renewables	405	190	523	78	14	(18)	**1,192**
Networks	782	205	378	(3)	-	(5)	**1,358**
Energy Solutions	177	108	(2)	(150)	31	(32)	**132**
FlexGen	76	385	78	25	213	(16)	**761**
Retail	323	134	-	-	48	(16)	**489**
Others	-	(3)	-	8	-	2,776	**2,781**
Of which GEMS	-	-	-	-	-	*3,142*	***3,142***
TOTAL EBIT (excluding Nuclear)	**1,763**	**1,018**	**978**	**(41)**	**305**	**2,689**	**6,713**
Nuclear	213	26	-	-	-	-	**239**
TOTAL EBIT	**1,976**	**1,044**	**978**	**(41)**	**305**	**2,689**	**6,952**

Renewables: strong growth mainly on the back of favourable hydro conditions and new capacity

In millions of euros	June 30, 2024	June 30, 2023	% change (reported basis)	% change (organic basis)
EBIT	1,325	1,192	+11.1%	+5.7%
Total CAPEX	2,823	1,378	+104.8%	
CNR achieved prices (€/MWh) (1)	107	121	-11.4%	
Operational KPIs				
Capacity additions (GW at 100%)	1.0	0.7		
Hydro volumes France (TWh at 100%)	10.2	7.9	2.3	

(1) Before hydro tax on CNR.

Renewables reported 5.7% organic EBIT growth, driven by excellent hydro conditions in France and Portugal as well as new capacity in Latin America, the US, and Europe, partially offset by lower prices in Europe.

Networks: lower distributed volumes in France, lower transit revenues between France and Germany, and normalization of market conditions in the UK and Germany

In millions of euros	June 30, 2024	June 30, 2023	% change (reported basis)	% change (organic basis)
EBITDA	2,097	2,292	-8.5%	-7.0%
EBIT	1,151	1,358	-15.3%	-12.7%
Total CAPEX	1,091	865	+26.0%	
Operational KPIs				
Normative temp. effect (EBIT - France)	(71)	(24)	(47)	

Networks EBIT was down 12.7% on an organic basis mainly due to lower revenues from capacity subscribed for gas transit between France and Germany (down from especially high levels in 2023), and from lower distributed volumes in France due to mild weather and weaker gas demand. In addition, market conditions for gas storage normalized after particularly favorable conditions in Germany and the UK in 2023. These negatives were partially balanced by higher tariffs in Romania from April 1st, 2023 and good performance from Latin American power and gas assets.

Energy Solutions: higher results and margin due to non-recurrence of negative first-half 2023 one-off in the US, partially offset by price and climate effects

In millions of euros	June 30, 2024	June 30, 2023	% change (reported basis)	% change (organic basis)
Revenues	4,917	5,482	-10.3%	-10.2%
EBIT	266	132	+101.5%	+99.0%
Total CAPEX	450	380	+18.5%	
Operational KPIs				
Distrib. Infra installed cap. (GW)	25.4	25.3	0.2	
EBIT margin	+5.4%	+2.4%	+300 pb	
EBIT margin (excluding one-off)	+5.4%	+5.1%	+27 pb	
Backlog - French concessions (bn€)	22.6	21.3	1.3	

Energy Solutions EBIT doubled year-on-year to €266 million in first-half 2024 due to a favorable basis for comparison, the Group having set aside a provision of €150 million in first-half 2023 caused by cost overruns in construction of two cogeneration units in the US. Excluding this one-off, Energy Solutions EBIT, despite improving EBIT margin from 5.1% to 5.4%, registered a slight organic decline in first-half 2024 owing to very mild temperatures, and to lower gas prices and spark spreads. Those factors offset a better performance driven by an improved contribution from Local Energy Networks in France and energy performance management activities.

FlexGen: strong increase due to positive one-offs, higher spreads captured in Europe, and favourable market conditions in Chile

In millions of euros	June 30, 2024	June 30, 2023	% change (reported basis)	% change (organic basis)
EBITDA	1,160	969	+19.7%	+23.2%
EBIT	957	761	+25.8%	+31.9%
Operational KPIs				
Average captured CSS Europe (€/MWh)	55	36	+52.7%	
Capacity (GW at 100%)	59.7	59.0	0.7	

EBIT in FlexGen increased organically by 31.9% due to higher spreads captured in Europe thanks to the Group's hedging strategy and its ability to capture the value of flexibility and volatility, as well as higher margins in Chile due to abundant hydro and consequent lower purchase costs. EBIT was also boosted by higher CRM income in Mexico, positive net one-offs in first quarter 2024 resulting from the outcome of a litigation process and the non-recurrence of the negative impact of the downgrade of the sovereign credit rating in Pakistan in Q1 2023. These factors more than offset the impact of the infra-marginal tax in France and lower load factors for CCGTs in Europe due to normalizing market conditions.

Retail: decline in EBIT due to negative volume effect

In millions of euros	June 30, 2024	June 30, 2023	% change (reported basis)	% change (organic basis)
EBITDA	422	614	-31.3%	-31.0%
EBIT	304	489	-37.8%	-37.5%
Normative temp. effect (EBIT - France)	(25)	(9)	(16)	

EBIT in Retail amounted to €304 million, equating to an organic decline of 37.5%, due mainly to lower volumes caused by mild temperatures and continued sobriety effect, with a long position that achieved lower selling prices in 2024.

Others: major contribution from GEMS albeit down year-on-year

GEMS EBIT at €1,946 million was 38.1% down on the particularly high level of first-half 2023.

Underlying EBIT of GEMS was slightly above €1.0 billion in first-half 2024, underpinned by good activity at the Client Risk Management & Supply and by the contribution from contracts signed and locked in the past when conditions were favorable, which materialize only at delivery date. This level, down compared to first-half 2023 but still strong, reflects the normalization of market conditions and the lower resulting volatility.

In first-half 2024, EBIT was furthermore boosted by several non-recurring and timing elements:

- reversals of market reserves, to a lesser extent than first-half 2023 and in line with the accelerated normalization of market conditions;
- positive timing effects which should reverse in the second half of this year.

The Group continues to expect underlying EBIT (i.e., excluding the impact of reversal of market reserves) of close to €2 billion for GEMS in 2024.

Nuclear: strongly up due to ending of inframarginal tax in Belgium

En millions d'+euros	June 30, 2024	June 30, 2023	% change (reported basis)	% change (organic basis)
EBITDA	1,121	574	+95.4%	+95.4%
EBIT	770	239	+222.2%	+222.2%
Total Capex	138	98	+41.0%	
Operational KPIs				
Output (BE + FR, @ share, TWh)	16.0	16.3	-1.6%	
Availability (Belgium at 100%)	+88,0%	+88,7%	+70 pb	

Nuclear reported €770 million of EBIT compared to €239 million in first-half 2023, a sharp rise due to the absence of inframarginal tax in Belgium, which ended in June 2023 and far outweighing the negative impacts of slightly lower availability due to maintenance outages (albeit still at a high level of 88.0%), the closure of the Tihange 2 reactor in February 2023 and slightly lower captured prices.

1.6.4. Comparable basis organic growth analysis

In millions of euros	June 30, 2024	June 30, 2023	% change (reported/organic basis)
Revenues	**37,525**	**47,028**	**-20.2%**
Scope effect	(154)	(89)	-
Exchange rate effect	-	28	-
Comparable data	**37,372**	**46,967**	**-20.4%**

In millions of euros	June 30, 2024	June 30, 2023	% change (reported/organic basis)
EBITDA	**8,922**	**9,364**	**-4.7%**
Scope effect	(102)	(83)	-
Exchange rate effect	-	9	-
Comparable data	**8,821**	**9,289**	**-5.0%**

In millions of euros	June 30, 2024	June 30, 2023	% change (reported/organic basis)
EBIT	**6,392**	**6,952**	**-8.0%**
Scope effect	(66)	(82)	-
Exchange rate effect	-	9	-
Comparable data	**6,327**	**6,879**	**-8.0%**

The calculation of organic growth aims to present comparable data both in terms of the exchange rates used to convert the financial statements of foreign companies and in terms of contributing entities (consolidation method and contribution in terms of comparable number of months). Organic growth in percentage terms represents the ratio between the data for the current year (Y) and the previous year (Y-1) restated as follows:

- the Y-1 data are corrected by removing the contributions of entities transferred during the Y-1 period or prorata temporis for the number of months after the transfer in Y;
- the Y-1 data are converted at the exchange rate for the period Y;
- the Y data are corrected with the Y acquisition data or prorata temporis for the number of months prior to the Y-1 acquisition.

1.6.5. Other income statement items

The reconciliation between EBIT and Net income/(loss) is presented below:

In millions of euros	June 30, 2024	June 30, 2023	% change (reported basis)
EBIT	**6,392**	**6,952**	**-8.0%**
(+) Mark-to-Market on commodity contracts other than trading instruments	(2,239)	(435)	
(+) Non-recurring share in net income of equity method entities	(4)	(28)	
Current operating income including operating MtM and share in net income of equity method entities	**4,149**	**6,490**	**-36.1%**
Impairment losses	(293)	382	
Restructuring costs	(155)	(21)	
Changes in scope of consolidation	544	(83)	
Other non-recurring items	(24)	(4,787)	
Income/(loss) from operating activities	**4,221**	**1,981**	**+113.1%**
Net financial income/(loss)	(1,022)	(1,327)	
Income tax benefit/(expense)	(802)	(871)	
NET INCOME/(LOSS)	**2,397**	**(217)**	
Net recurring income/(loss), Group share	**3,766**	**4,045**	
Net recurring income/(loss) Group share per share	**1.53**	**1.65**	
Net income/(loss) Group share	**1,942**	**(847)**	
Non-controlling interests	**455**	**630**	

The reconciliation between Net recurring income/(loss) Group share and Net income/(loss) Group share is presented below:

In millions of euros	June 30, 2024	June 30, 2023
Net recurring income/(loss), Group share	**3,766**	**4,045**
Impairment losses	(293)	382
Restructuring costs	(155)	(21)
Changes in scope of consolidation	544	(83)
Other non-recurring items	(24)	(4,787)
Mark-to-Market on commodity contracts other than trading instruments	(2,239)	(435)
Non recurring net financial income/(loss)	(40)	(218)
Non recurring income tax benefit/(expense)	365	455
Other	18	(186)
Net income/(loss) Group share	**1,942**	**(847)**

Income from operating activities amounted to €4,221 million, up sharply first-half, 2023, mainly due to the recognition in first-half 2023 of the impact of the revision of nuclear provisions, partly offset by the strongly negative trend in first-half 2024 of MtM on commodity financial instruments not qualifying as hedges.

In first-half, 2024, Income from operating activities was affected by:

- net impairment losses of €293 million (compared with reversals of impairment losses of €382 million at June 30, 2023), mainly on thermal assets in Pakistan (*see Note 2.1.1.2 "Assets classified as held for sale"*);
- restructuring costs of €155 million (compared with €21 million in first-half 2023) *(see Note 2.2 "Other highlights of the period"*);
- €544 million euros in "Changes in scope of consolidation" (compared with negative €83 million euros in first-half 2023), mainly related to the partial disposal of a 15% stake in Transportadora Associada de Gás S.A. ("TAG") and the revaluation gain on the interest in Mayakan (*see Note 2.1.1 "Disposals carried out in first half 2024"*);
- other non-recurring items amounted to a negative €24 million (compared with a negative €4,787 million in first-half 2023).

Net financial loss amounted to €1,022 million in first-half 2024, compared with €1,327 million in first-half 2023 (*see Note 6 "Net financial income/(loss)"*).

Adjusted for non-recurring items, net financial loss stood at €982 million in first-half 2024, compared with €1,109 million in first-half 2023. This €127 million improvement stems from a €156 million increase in other financial income, partly offset by a €35 million rise in the cost of net debt.

Income tax in first-half 2024 was a negative €802 million (compared with a negative €871 million in first-half 2023).

Adjusted for non-recurring items, the recurring effective tax rate was 24.2% at end-June 2024, compared with 25.1% at end-June 2023, mainly due to changes in the tax base in Belgium and the Netherlands, where certain Group subsidiaries only partially recognize their deferred tax assets.

Net recurring income Group share came to €3,766 million, compared with €4,045 million in first-half 2023. This slight decrease is mainly due to the decline in EBIT, offset by the improvement in financial income.

Net income Group share amounted to €1,942 million, compared with a loss of €847 million in first-half 2023, mainly impacted by the change in income from operating activities.

Net income attributable to non-controlling interests amounted to €455 million, down €175 million compared to first-half 2023.

2 CHANGES IN NET FINANCIAL DEBT

Net financial debt stood at €30.2 billion, up slightly by €0.7 billion compared with December 31, 2023.

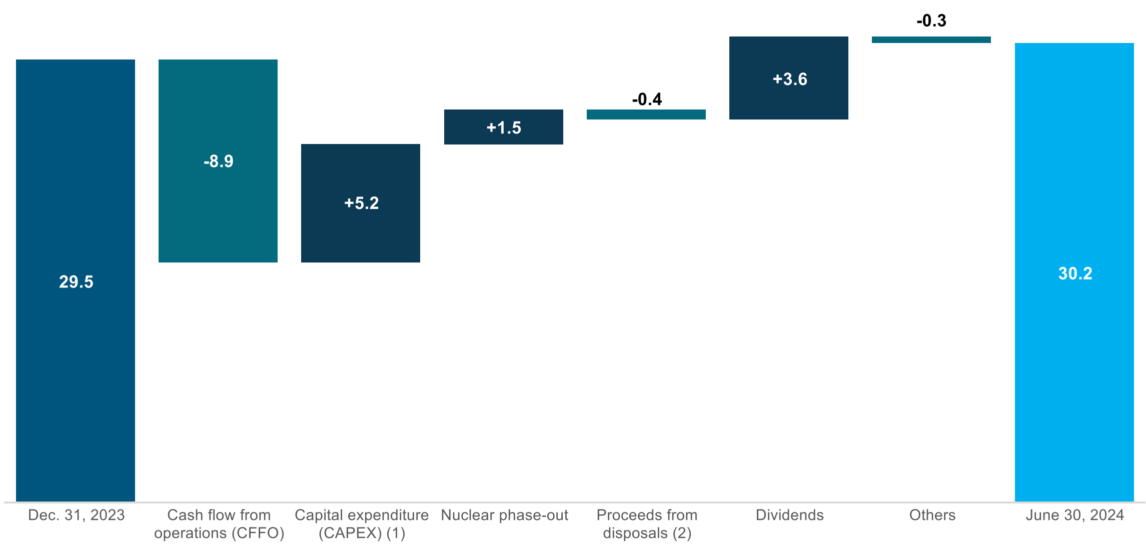
This slight increase was mainly driven by:

- capital expenditure over the period of €5.2 billion;
- dividends paid to ENGIE SA shareholders and to non-controlling interests of €3.6 billion;
- Belgian nuclear phase-out funding and expenses of €1.5 billion;

These elements were partly offset by:

- Cash Flow From Operations of €8.9 billion;
- other items for €0.7 billion.

In billions of euros



(1) Capital expenditure net of DBSO and tax equity proceeds as well as the scope impact of acquisitions.
(2) Including scope effects relating to disposals.

Excluding amortized cost but including the impact of foreign currency derivatives, at June 30, 2024, a total of 62% of net financial debt was denominated in euros, 23% in US dollars and 11% in Brazilian real.

Including the impact of financial instruments, 89% of net financial debt was at fixed rates.

The average maturity of the Group's net financial debt is 13.8 years.

At June 30, 2024, the Group had total undrawn confirmed credit lines of €12.6 billion.

Economic net debt stood at €45.8 billion, down €0.8 billion compared with December 31, 2023.

In billions of euros

The **net financial debt to EBITDA ratio** stood at 2.0x, up 0.1x compared with December 31,2023.
The average cost of gross debt was 4.75%.

In millions of euros	June 30, 2024	Dec 31, 2023
Net financial debt	30,221	29,493
EBITDA (last twelve months)	14,576	15,017
NET DEBT/EBITDA RATIO	**2.07**	**1.96**

The **economic net debt to EBITDA** ratio stood at 3.1x, unchanged compared with December 31, 2023, and in line with the target ratio of below or equal to 4.0x.

In millions of euros	June 30, 2024	Dec 31, 2023
Economic net debt	45,764	46,517
EBITDA (last twelve months)	14,576	15,017
ECONOMIC NET DEBT/EBITDA RATIO	**3.14**	**3.10**

Rating

- S&P: BBB+ / A-2, Stable outlook
- Moody's: Baa1 / P-2, Stable outlook
- Fitch: BBB+ / F1, Stable outlook

2.1 Cash flow from operations (CFFO)

Cash Flow From Operations (CFFO) amounted to €8.9 billion, down €0.6 billion compared with the particularly high first-half 2023 figure.

Working Capital Requirements was positive at €1.8 billion, with a negative year-on-year change of €0.6 billion, the positive impact on client receivables (€4.4 billion) and margin calls (€0.5 billion) offset mainly by negative impacts on gas stocks and other inventories (€-2.3 billion), tariff shields (€-2.1 billion) and nuclear (€-0.7 billion).

2.2 Liquidity

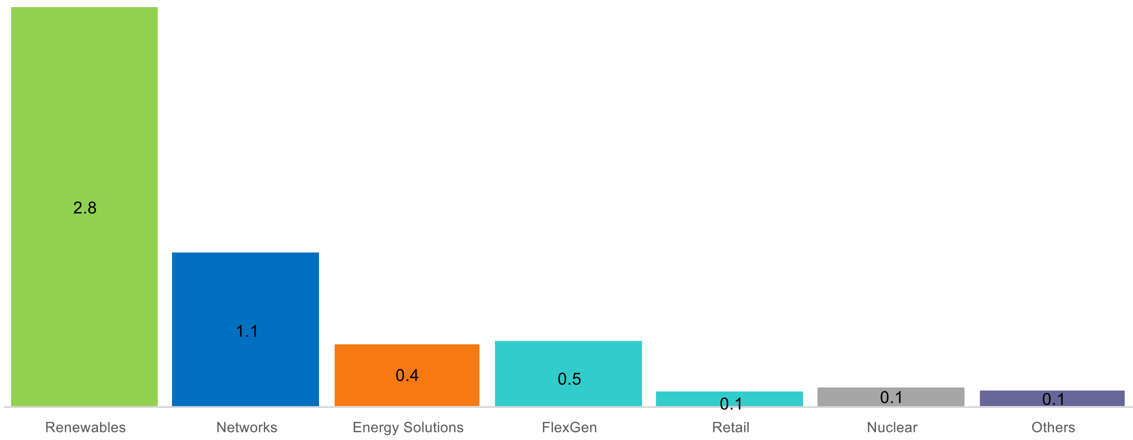
The Group maintained a strong level of **liquidity** at €26.6 billion at June 30, 2024, including €18.1 billion of cash [(1)].

2.3 Capital expenditure (CAPEX)

Total Capex amounted to €5.2 billion, including growth CAPEX of €4.1 billion.

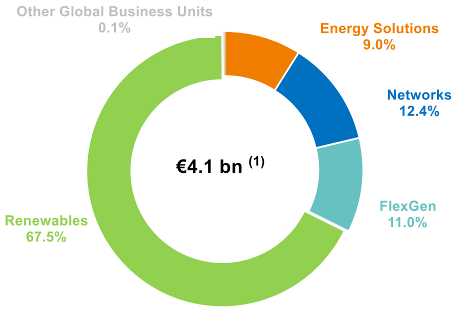
Capital expenditure (CAPEX) by activity

In billions of euros



(1) Cash and cash equivalents, from which bank overdrafts are deducted.

Growth capital expenditure amounted to €4.1 billion, breaking down as follows by activity:



Main projects (€bn)	
Renewables	2.8
Acquisitions Latam (Cruzeiro & Hat)	0.7
Brazil: Wind & Solar (Santo Agostinho, Assurua & Assu Sol)	0.6
Acquisitions Europe	0.3
Mexico (photovoltaic and wind projects)	0.2
Chile (Lomas de Taltal & Battery energy storage system projects)	0.2
France Wind & Solar (mainly Engie Green)	0.2
Networks	0.5
French regulated infrastructures	0.2
Brazil Transmission Lines	0.1
FlexGen	0.4
Broad Reach Power projects	0.2
Flemalle	0.1

(1) *Net of disposals under DBSO operations, excluding Corporate, and tax equity proceeds.*

The **geography/activity matrix** for growth capital expenditure is presented below:

In millions of euros	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	June 30, 2024
Renewables	296	212	1,713	342	189	3	**2,755**
Networks	217	99	188	-	-	-	**504**
Energy Solutions	216	39	5	79	9	16	**365**
FlexGen	27	243	-	206	(101)	1	**376**
Retail	16	18	-	-	4	36	**74**
Nuclear	-	29	-	-	-	-	**29**
Others	-	-	-	-	2	(26)	**(23)**
Of which GEMS	-	-	-	-	-	*41*	***41***
TOTAL GROWTH CAPEX	**773**	**640**	**1,907**	**627**	**103**	**30**	**4,080**

In millions of euros	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	June 30, 2023
Renewables	153	218	415	548	(3)	5	**1,336**
Networks	222	38	67	-	-	-	**327**
Energy Solutions	150	43	(5)	72	21	33	**314**
FlexGen	28	88	10	4	53	3	**186**
Retail	23	20	-	-	4	29	**76**
Nuclear	-	7	-	-	-	-	**7**
Others	-	8	-	-	-	34	**42**
Of which GEMS	-	-	-	-	-	*37*	***37***
TOTAL GROWTH CAPEX	**576**	**422**	**487**	**624**	**76**	**103**	**2,288**

3 OTHER ITEMS IN THE STATEMENT OF FINANCIAL POSITION

In millions of euros	June 30, 2024	Dec. 31, 2023	Net change
Non-current assets	**116,110**	**119,023**	**(2,912)**
Of which goodwill	*12,857*	*12,864*	*(7)*
Of which property, plant and equipment and intangible assets, net	*68,979*	*66,399*	*2,580*
Of which derivative instruments	*6,303*	*12,764*	*(6,461)*
Of which investments in equity method entities	*9,134*	*9,213*	*(80)*
Current assets	**81,209**	**75,617**	**5,591**
Of which trade and other payables	*12,188*	*20,092*	*(7,904)*
Of which derivative instruments	*19,445*	*8,481*	*10,964*
Of which assets classified as held for sale	*1,234*	-	*1,234*
Total equity	**37,967**	**35,724**	**2,243**
Provisions	32,692	32,593	99
Borrowings	48,784	47,287	1,497
Derivative instruments	27,169	24,561	2,608
Other liabilities	50,707	54,475	(3,768)
Of which liabilities directly associated with assets classified as held for sale	*700*	-	*700*

The **carrying amount of property, plant and equipment and intangible assets** amounted to €69.0 billion, up €2.6 billion compared with December 31, 2023. This change is mainly due to capital expenditure over the period (positive €4.3 billion), changes in the scope of consolidation (positive €0.9 billion), partially offset by depreciation/amortization expenses (negative €2.5 billion) and impairment losses recognized over the period (negative €0.2 billion).

Goodwill amounted to €12.9 billion, stable compared with December 31, 2023.

Investments in equity method entities amounted to €9.1 billion, stable compared to December 31, 2023.

Total equity amounted to €38.0 billion, an increase of €2.2 billion compared with December 31, 2023, This increase stemmed mainly from other comprehensive income (positive €3.3 billion, including a positive €3.6 billion of cash flow hedges on commodities, a positive €0.5 billion of actuarial gains and losses and a negative €0.8 billion of deferred taxes), net income for the period (positive €2.4 billion), net impact of deeply subordinated perpetual notes (positive €0.6 billion), and partially offset by dividends distributed (negative €4.0 billion).

Provisions amounted to €32.7 billion, stable compared with December 31, 2023 (*see Note 9 "Provisions"*).

4 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are described in Note 20 to the consolidated financial statements for the year ended December 31, 2023 and did not change significantly in first-half 2024.

5 FULL YEAR 2024 GUIDANCE UPGRADED

5.1 2024 Guidance

Due to the strong financial performance in H1 2024 and lower than expected recurring net financial costs for the full-year, ENGIE upgrades its 2024 Net Recurring Income group share (NRIgs) guidance which is now expected to be in the range of €5.0 to €5.6 billion, compared to the previously announced range of €4.2 to €4.8 billion. EBIT excluding Nuclear is now expected to be in the indicative range of €8.2 to €9.2 billion (versus €7.5 to €8.5 billion previously).

ENGIE is committed to a strong investment grade credit rating and continues to target a ratio below or equal to 4.0x economic net debt to EBITDA over the long-term. The Group reaffirms its dividend policy, with a 65% to 75% payout ratio based on NRIgs, and a floor of €0.65 per share for the 2024 to 2026 period.

5.2 Assumptions

- Guidance and indications based on continuing operations
- No change in accounting policies
- No major regulatory or macro-economic changes
- Inframarginal rent caps based on current legal texts and additional contingencies
- Taking into account the 2024-27 French regulatory review (gas networks)
- Full pass through of supply costs in French BtoC retail tariffs
- Average temperature in France
- Average hydro, wind, and solar production
- Average forex:
  - €/USD: 1.08
  - €/BRL: 5.64
- Belgian nuclear availability in H2 2024: 90% based on availability published January 1st, 2024 on REMIT, excluding Long Term Operation (LTO)
- Contingencies on Belgian nuclear operations of €0.1 billion in 2024
- Market commodity prices at June 30, 2024
- Recurring net financial costs of €1.9 - €2.2 billion in 2024
- Recurring effective tax rate: 26% - 28% over the period 2024-26

02 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

In millions of euros	Notes	June 30, 2024	June 30, 2023
REVENUES	**4.2 & 5**	**37,525**	**47,028**
Purchases and operating derivatives [(1)]		(26,452)	(33,175)
Personnel costs		(4,315)	(4,140)
Depreciation, amortization and provisions		(2,481)	(2,437)
Taxes		(1,324)	(1,948)
Other operating income		616	622
Current operating income including operating MtM		**3,569**	**5,949**
Share in net income of equity method entities	4.2	580	540
Current operating income including operating MtM and share in net income of equity method entities		**4,149**	**6,490**
Impairment losses	2.2	(293)	382
Restructuring costs	2.2	(155)	(21)
Changes in scope of consolidation	2.2	544	(83)
Other non-recurring items	2.2	(24)	(4,787)
NET INCOME/(LOSS) FROM OPERATING ACTIVITIES		**4,221**	**1,981**
Financial expenses		(1,825)	(1,806)
Financial income		803	479
NET FINANCIAL INCOME/(LOSS)	**6**	**(1,022)**	**(1,327)**
Income tax benefit/(expense)		(802)	(871)
NET INCOME/(LOSS)		**2,397**	**(217)**
Net income/(loss) Group share		**1,942**	**(847)**
Non-controlling interests		**455**	**630**
BASIC EARNINGS/(LOSS) PER SHARE (EUROS) [(2)]		**0.78**	**(0.37)**
DILUTED EARNINGS/(LOSS) PER SHARE (EUROS) [(2)]		**0.78**	**(0.37)**

(1) Of which a net expense of €2,239 million in first-half 2024 relating to MtM on commodity contracts other than trading instruments (compared to a net expense of €435 million in first-half 2023) notably on some economic electricity and gas hedging positions not documented as cash flow hedges.

(2) In accordance with IAS 33 – Earnings Per Share, earnings per share and diluted earnings per share are based on net income/(loss) Group share after deduction of payments to holders of deeply-subordinated perpetual notes.

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	Notes	June 30, 2024	June 30, 2023
NET INCOME/(LOSS)		**2,397**	**(217)**
Debt instruments	7	-	237
Net investment hedges	8	(125)	21
Cash flow hedges (excl. commodity instruments)	8	122	(225)
Commodity cash flow hedges (1)	8	3,559	(1,227)
Deferred tax on recyclable or recycled items		(749)	334
Share of equity method entities in recyclable items, net of tax		(104)	74
Translation adjustments		57	75
TOTAL RECYCLABLE ITEMS		**2,760**	**(710)**
Equity instruments	7	160	53
Actuarial gains and losses		503	164
Deferred tax on non-recyclable items		(109)	(120)
TOTAL NON-RECYCLABLE ITEMS		**553**	**98**
TOTAL RECYCLABLE ITEMS AND NON-RECYCLABLE ITEMS		**3,313**	**(612)**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**5,710**	**(829)**
Of which owners of the parent		*5,237*	*(1,678)*
Of which non-controlling interests		*473*	*849*

(1) Since January 1st, 2023, hedging of electricity supply activities in France, Belgium and the Netherlands and sales resulting from the production of some of our assets in the same areas, qualified as cash flow hedging instruments in accordance with IFRS 9. Unrealized gains and losses on the effective portion of the hedges are now recorded in Other comprehensive income, as are hedges of our gas supply activities in Europe that already qualified, and are recycled to operating income at the same time as the hedged transactions to which they relate. The positive impact at June 30, 2024 is linked to the recycling effect of gas and electricity hedges unwinding in the first half.

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

STATEMENT OF FINANCIAL POSITION

ASSETS

In millions of euros	Notes	June 30, 2024	Dec. 31, 2023
Non-current assets			
Goodwill		12,857	12,864
Intangible assets, net		8,620	8,449
Property, plant and equipment, net		60,359	57,950
Other financial assets		16,071	14,817
Derivative instruments	7	6,303	12,764
Assets from contracts with customers	5	3	1
Investments in equity method entities		9,134	9,213
Other non-current assets		1,078	990
Deferred tax assets		1,686	1,974
TOTAL NON-CURRENT ASSETS		**116,110**	**119,023**
Current assets			
Other financial assets		2,106	2,170
Derivative instruments	7	19,445	8,481
Trade and other receivables, net	5	12,188	20,092
Assets from contracts with customers	5	7,629	9,530
Inventories		5,198	5,343
Other current assets		16,035	13,424
Cash and cash equivalents		17,374	16,578
Assets classified as held for sale	2	1,234	-
TOTAL CURRENT ASSETS		**81,209**	**75,617**
TOTAL ASSETS		**197,319**	**194,640**

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

EQUITY AND LIABILITIES

In millions of euros	Notes	June 30, 2024	Dec. 31, 2023
Shareholders' equity		32,512	30,057
Non-controlling interests		5,455	5,667
TOTAL EQUITY		**37,967**	**35,724**
Non-current liabilities			
Provisions	9	18,358	18,792
Long-term borrowings	7	41,258	37,920
Derivative instruments	7	8,171	16,755
Other financial liabilities	7	109	82
Liabilities from contracts with customers	7	110	93
Other non-current liabilities		3,219	3,614
Deferred tax liabilities		5,844	5,632
TOTAL NON-CURRENT LIABILITIES		**77,070**	**82,889**
Current liabilities			
Provisions	9	14,334	13,801
Short-term borrowings	7	7,525	9,367
Derivative instruments	7	18,999	7,806
Trade and other payables	7	22,094	22,976
Liabilities from contracts with customers	7	2,961	3,960
Other current liabilities		15,669	18,118
Liabilities directly associated with assets classified as held for sale	2	700	-
TOTAL CURRENT LIABILITIES		**82,282**	**76,027**
TOTAL EQUITY AND LIABILITIES		**197,319**	**194,640**

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

STATEMENT OF CHANGES IN EQUITY

In millions of euros	Share capital	Additional paid-in capital	Consolidated reserves	Deeply-subordinated perpetual notes	Changes in fair value and other	Translation adjustments	Treasury stock	Shareholders' equity	Non-controlling interests	Total
EQUITY AT DECEMBER 31, 2022	**2,435**	**25,667**	**5,036**	**3,393**	**(668)**	**(1,422)**	**(189)**	**34,253**	**5,032**	**39,285**
Net income/(loss)			(847)					(847)	630	(217)
Other comprehensive income/(loss)			79		(1,002)	93		(831)	219	(612)
TOTAL COMPREHENSIVE INCOME/(LOSS)			**(768)**		**(1,002)**	**93**		**(1,678)**	**849**	**(829)**
Share-based payment	-	-	28					28	-	28
Dividends paid in cash (1)		(1,752)	(1,676)					(3,427)	(411)	(3,839)
Purchase/disposal of treasury stock			(61)				8	(53)	-	(53)
Operations on deeply-subordinated perpetual notes (2)			(46)	-				(46)		(46)
Transactions between owners			14					14	(20)	(6)
Transactions with an impact on non-controlling interests			-					-	(10)	(10)
Share capital increases and decreases								-	198	198
Normative changes			15					15	-	15
Other changes		-	(5)		-			(5)	-	(5)
EQUITY AT JUNE 30, 2023	**2,435**	**23,916**	**2,538**	**3,393**	**(1,670)**	**(1,330)**	**(181)**	**29,101**	**5,637**	**34,738**

(1) On April 26, 2023, the Shareholders' Meeting decided to pay a €1.40 dividend per share for 2022. In accordance with Article 26.2 of the bylaws, a 10% bonus loyalty dividend of €0.14 per share was awarded to shares registered (whether in a direct or an administered account) for at least two years at December 31, 2022 and that remained registered in the name of the same shareholder until the payment date of the dividend. The loyalty dividend will be capped at 0.5% of the share capital for each eligible shareholder. On May 3, 2023, the Group settled in cash (total of €3,391 million) the dividend of €1.40 per share with rights to ordinary dividends, as well as the dividend (€36 million) for shares eligible for the loyalty bonus.

(2) See Note 11.5 "Deeply-subordinated perpetual notes" to the interim condensed consolidated financial statements for the six months ended June 30, 2023.

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

In millions of euros	Share capital	Additional paid-in capital	Consolidated reserves	Deeply-subordinated perpetual notes	Changes in fair value and other	Translation adjustments	Treasury stock	Shareholders' equity	Non-controlling interests	Total
EQUITY AT DECEMBER 31, 2023	**2,435**	**23,916**	**5,198**	**3,393**	**(3,015)**	**(1,693)**	**(177)**	**30,057**	**5,667**	**35,724**
Net income/(loss)			1,942					1,942	455	2,397
Other comprehensive income/(loss)			533		2,714	48		3,295	19	3,313
TOTAL COMPREHENSIVE INCOME/(LOSS)			**2,475**	**-**	**2,714**	**48**	**-**	**5,237**	**473**	**5,710**
Share-based payment			22					22	-	22
Dividends paid in cash [(1)]		(2,882)	(621)					(3,503)	(474)	(3,978)
Purchase/disposal of treasury stock			(58)				49	(9)	-	(9)
Operations on deeply-subordinated perpetual notes [(2)]			(51)	645				594	-	594
Transactions between owners [(3)]			114					114	(233)	(119)
Transactions with an impact on non-controlling interests								-	2	2
Share capital increases and decreases								-	19	19
Other changes			-					-	1	2
EQUITY AT JUNE 30, 2024	**2,435**	**21,033**	**7,080**	**4,038**	**(301)**	**(1,645)**	**(128)**	**32,512**	**5,455**	**37,967**

(1) On April 30, 2024, the Shareholders' Meeting decided to pay a €1.43 dividend per share for 2023. In accordance with Article 26.2 of the bylaws, a 10% bonus loyalty dividend of €0.143 per share was awarded to shares registered for at least two years at December 31, 2023 and that remained registered in the name of the same shareholder until the payment date of the dividend. The loyalty dividend is capped at 0.5% of the share capital for each eligible shareholder. On May 6, 2024, the Group settled in cash (total of €3,469 million) the dividend of €1.43 per share with rights to ordinary dividends, as well as the dividend (€34 million) for shares eligible for the loyalty bonus.

(2) In June 2024, ENGIE SA redeemed deeply-subordinated perpetual notes for a total of €1,190 million (a redemption of the €338 million of outstanding redeemed deeply-subordinated perpetual notes issued in 2014 and a partial early redemption of two other tranches for €852 million). At the same time, ENGIE SA issued in June 2024 two new green deeply-subordinated perpetual notes for a total of €1,835 million.

In accordance with IAS 32 - Financial Instruments - Presentation, and given their characteristics, these instruments are recognized in equity in the Group's consolidated financial statements.

At June 30, 2024, the Group paid out €33 million to the holders of these securities. The outstanding nominal value was €4,038 million, compared with €3,393 million at December 31, 2023.

(3) Mainly concerns the acquisition in February 20, 2024, of an additional 12% stake in ENGIE Romania.

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

STATEMENT OF CASH FLOWS

In millions of euros	Notes	June 30, 2024	June 30, 2023
NET INCOME/(LOSS)		**2,397**	**(217)**
- Share in net income/(loss) of equity method entities		(580)	(540)
+ Dividends received from equity method entities		602	321
- Net depreciation, amortization, impairment and provisions		2,816	6,900
- Impact of changes in scope of consolidation and other non-recurring items		(514)	97
- Mark-to-market on commodity contracts other than trading instruments		1,449	435
- Other items with no cash impact		(256)	(61)
- Income tax expense		802	871
- Net financial income/(loss)	6	1,022	1,327
Cash generated from operations before income tax and working capital requirements		**7,737**	**9,132**
+ Tax paid		(420)	(1,026)
Change in working capital requirements		**1,657**	**1,418**
CASH FLOW FROM OPERATING ACTIVITIES		**8,974**	**9,524**
Acquisitions of property, plant and equipment and intangible assets		(4,028)	(3,078)
Acquisitions of controlling interests in entities, net of cash and cash equivalents acquired	2 & 7	(761)	88
Acquisitions of investments in equity method entities and joint operations	2 & 7	(2)	(73)
Acquisitions of equity and debt instruments	7	2,063	(1,123)
Disposals of property, plant and equipment, and intangible assets		29	72
Loss of controlling interests in entities, net of cash and cash equivalents sold	2 & 7	7	(2)
Disposals of investments in equity method entities and joint operations	2 & 7	419	53
Disposals of equity and debt instruments	7	22	3
Interests received on financial assets		237	(27)
Dividends received on equity instruments		(16)	1
Change in loans and receivables originated by the Group and other		(3,387)	(78)
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES		**(5,418)**	**(4,164)**
Dividends paid [(1)]		(3,632)	(3,573)
Repayment of borrowings and debt		(3,887)	(5,283)
Change in financial assets held for investment and financing purposes		(153)	(441)
Interests paid		(862)	(419)
Interests received on cash and cash equivalents		398	252
Cash flow on derivatives qualifying as net investment hedges and compensation payments on derivatives and on early buyback of borrowings		27	137
Increase in borrowings		4,343	3,989
Increase/decrease in capital		996	197
Purchase and/or sale of treasury stock		(9)	(57)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES		**(2,779)**	**(5,199)**
Effects of changes in exchange rates and other		19	(16)
TOTAL CASH FLOW FOR THE PERIOD		**796**	**146**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**16,578**	**15,570**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**17,374**	**15,716**

(1) The line “Dividends paid” includes the coupons paid to owners of deeply-subordinated perpetual notes for an amount of €33 million in first-half 2024 (€46 million in first-half 2023).

NB: The amounts shown in the tables are expressed in millions of euros. In certain cases, rounding may cause non-material discrepancies in the totals.

03 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INFORMATION ON THE ENGIE GROUP

ENGIE SA, the parent company of the Group, is a French *société anonyme* with a Board of Directors and is subject to the provisions of Book II of the French Commercial Code (*Code de Commerce*), as well as to all other provisions of French law applicable to French commercial companies. It was incorporated on November 20, 2004 for a period of 99 years. It is governed by current and future laws and by regulations applicable to *sociétés anonymes* and its bylaws.

The Group is headquartered at 1, place Samuel de Champlain, 92400 Courbevoie (France).

ENGIE shares are listed on the Paris, Brussels and Luxembourg stock exchanges.

On August 1st, 2024, the Group's Board of Directors approved and authorized for issue the interim condensed consolidated financial statements of the Group and its subsidiaries for the six months ended June 30, 2024.

NOTE 1 ACCOUNTING STANDARDS AND METHODS

1.1 Accounting standards

In accordance with the European Regulation on international accounting standards dated July 19, 2002, the Group's annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and endorsed by the European Union [(1)]. The Group's interim condensed consolidated financial statements for the six months ended June 30, 2024 were prepared in accordance with the provisions of IAS 34 – *Interim Financial Reporting*, which allows entities to present selected explanatory notes. These do not therefore incorporate all of the notes and disclosures required by IFRS for the annual consolidated financial statements, and accordingly must be read in conjunction with the consolidated financial statements for the year ended December 31, 2023, subject to specific provisions relating to the preparation of interim condensed consolidated financial statements as described hereafter (*see Note 1.3*).

The accounting principles used to prepare the Group's interim condensed consolidated financial statements are consistent with those used to prepare the consolidated financial statements for the year ended December 31, 2023, apart from the following developments in IFRS presented below.

1.1.1 IFRS standards, amendments or IFRIC interpretations applicable in 2024

- Amendments to IAS 1 – *Presentation of Financial Statements*: classification of current or non-current liabilities and non-current liabilities with covenants.
- Amendments to IFRS 16 – *Leases*: Lease Liability in a Sale and Leaseback.
- Amendments to IAS 7 – *Statement of Cash Flows* and IFRS 7 – *Financial Instruments*: Disclosures – Supplier Finance Arrangements.

These amendments have no material impact on the Group's consolidated financial statements.

(1) Available on the European Commission's website:
https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32002R1606&from=EN

1.1.2 IFRS standards, amendments or IFRIC interpretations applicable after 2024, that the Group has elected not to early adopt

- Amendments to IAS 21 – *The Effects of Changes in Foreign Exchange Rates*: Lack of Exchangeability [(1)].
- IFRS 18 – *Presentation and Disclosure in Financial Statements* [(1)].
- IFRS 19 – *Subsidiaries without Public Accountability*: Disclosures [(1)]
- Amendments to IFRS 9 – *Financial Instruments* and IFRS 7 – *Financial Instruments*: Disclosures – Classification and measurement of financial instruments [(1)].

The impact of these amendments and standards is currently being assessed.

1.2 Use of estimates and judgment

1.2.1 Estimates

The preparation of consolidated financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities and contingent assets and liabilities at the reporting date, as well as income and expenses reported during the period.

Developments in the economic and financial environment, particularly relating to volatile commodities markets, and the war in Ukraine have prompted the Group to step up its risk oversight procedures, mainly in measuring financial instruments, and assessing counterparty and liquidity risk. The estimates used by the Group, among other things, to test for impairment and to measure provisions, also take into account this environment and the market volatility.

Accounting estimates are made in a context that remains sensitive to energy market developments, therefore making it difficult to apprehend medium- and short-term economic prospects. Particular attention has been paid to the consequences of fluctuations in the price of gas and electricity in the first half of 2024.

Due to uncertainties inherent in the estimation process, the Group regularly revises its estimates in light of currently available information. Final outcomes could differ from those estimates.

The key estimates used in preparing the Group's consolidated financial statements for the six months ended June 30,2024 relate mainly to:

- measurement of the recoverable amounts of goodwill, property, plant and equipment and intangible assets (*see Note 2 "Main changes in Group structure and other business highlights of the period"*);
- measurement of the fair value of financial assets and liabilities, and, in the current context, factoring in the uncertainty surrounding the key assumptions used, in particular updating the main valuation inputs of commodity derivatives (*see Notes 7 "Financial instruments" and 8 "Risks arising from financial instruments"*);
- the measurement of provisions, in particular those relating to the dismantling of nuclear facilities. These estimates also concern provisions for disputes, pensions and other employee benefits (*see Note 9 "Provisions"*);
- measurement of unmetered revenues (energy in the meter), for which the valuation techniques have been impacted by changes in certain customers' consumption habits, in a context of volatility in commodities prices (*see Note 5 "Revenues"*);

(1) These standards and amendments have not yet been adopted by the European Union.

- the evaluation of support measures granted by certain governments, particularly in France and Romania ("tariff shield"), aimed at protecting both consumers and suppliers of gas and electricity against sharp fluctuations in commodity prices (*see Note 5 "Revenues"*);
- measurement of recognized tax loss carry-forwards, taking into account, where applicable, the revision of taxable income projections.

1.2.2 Judgment

As well as relying on estimates, Group management also makes judgments to define the appropriate accounting policies to apply to certain activities and transactions, particularly when the IFRS Standards and IFRIC Interpretations in force do not specifically deal with the related accounting issues.

In particular, the Group exercised its judgment in:

- assessing the type of control;
- identifying the performance obligations of sales contracts;
- determining how revenues are recognized for distribution or transmission services invoiced to customers;
- identifying "own use contracts" as defined by IFRS 9 within non-financial purchase and sale contracts (electricity, gas, etc.);
- identifying the agreements which contain lease contracts;
- identifying offsetting arrangements that meet the criteria set out in IAS 32 – *Financial Instruments*: Presentation (*see Note 7 "Financial instruments"*);

1.3 Specificities of interim financial reporting

1.3.1 Seasonality of operations

The Group's operations are intrinsically subject to seasonal fluctuations, but key performance indicators and operating income are influenced even more by changes in climatic conditions than by seasonality. Consequently, the interim results for the six months ended June 30, 2024 are not necessarily indicative of those that may be expected for full-year 2024.

1.3.2 Income tax expense

Current and deferred income tax expense for interim periods is calculated at the level of each tax entity by applying the average estimated annual effective tax rate for the current year to the taxable income for the interim period, with the exception of significant exceptional items. Significant exceptional items, if any, are recognized using their specific applicable taxation.

1.3.3 Pension benefit obligations

Pension costs for interim periods are calculated on the basis of the actuarial valuations performed at the end of the prior year. If necessary, these valuations are adjusted to take account of curtailments, settlements or other major non-recurring events that have occurred during the period. Furthermore, amounts recognized in the statement of financial position in respect of defined benefit plans are adjusted, if necessary, in order to reflect material changes impacting the yield on investment-grade corporate bonds in the geographic area concerned (benchmark used to determine the discount rate) and the value and actual return on plan assets.

NOTE 2 MAIN CHANGES IN GROUP STRUCTURE AND OTHER HIGHLIGHTS OF THE PERIOD

2.1 Main changes in Group structure

2.1.1 Disposals carried out in first-half 2024

The table below shows the impact of the main disposals and sale agreements of first-half 2024 on the Group's net debt, excluding partial disposals with respect to DBSO [(1)] activities:

In millions of euros	Disposal price	Reduction in net debt
Disposal of a 15% stake in Transportadora de Gás S.A.	420	420
Other disposals that are not material taken individually	78	57
Effects of classification as "assets classified as held for sale"	-	(45)
TOTAL	**498**	**432**

2.1.1.1 Disposal of a 15% stake in Transportadora Associada de Gás S.A. ("TAG")

In January 2024, ENGIE finalized the sale of a 15% stake in TAG to Caisse de dépôt et placement du Québec (CDPQ) (current partner). Following this transaction, TAG is still accounted for using the equity method. The Group's interest now stands at 50%, and its net interest at 44.5%. This partial disposal reduced the Group's net financial debt by €0.4 billion and generated a net gain on disposal of €0.2 billion.

2.1.1.2 Assets classified as held for sale

Total "Assets classified as held for sale" and total "Liabilities directly associated with assets classified as held for sale" amounted to €1,234 million and €700 million, respectively, at June 30, 2024.

In millions of euros	June 30, 2024
Property, plant and equipment and intangible assets, net	1
Other assets	1,232
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**1,234**
Borrowings and debt, net	(45)
Other liabilities	745
TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**700**

On July 12, 2024, the Group signed an agreement for the complete sale of its two subsidiaries, Uch Power Limited ("Uch1") and Uch-II Power Limited ("Uch2"). The entities own and operate gas-fired power plants in Pakistan. Given the progress of the case, the sale agreement signed and the Group's intention to withdraw from the country, the Group considers that the sale of these assets is highly probable within the next 12 months. Accordingly, the assets were reclassified as "Assets held for sale" at June 30, 2024. Due to the difference between the sale price and the value of the assets, an impairment loss of €0.2 billion was recognized in the June 30, 2024 financial statements.

In March 2024, a new shareholders' agreement was signed with EXI, the minority partner in Mayakan. The agreement establishes a new shared governance structure as part of the decision to develop the new Cuxtal II project (construction of a 700 km gas pipeline, parallel to the existing pipeline, to transport gas to eastern Mexico). This transaction involves the loss of control of Mayakan, which is now accounted for using the equity method, leading to the recognition of a gain of €0.25 billion ("Changes in scope of consolidation") in respect of the revaluation of the interest retained in the company. In addition, two Share Purchase Agreements (SPA) have been signed, which will result in ENGIE and Macquarie holding a

(1) Develop, Build, Share and Operate, a model used in renewable energies based on continuous rotation of capital employed.

50-50 equity stake in Mayakan's share capital upon the completion of the transaction. The interest covered by a sale agreement was recognized under "Assets classified held for sale" at June 30, 2024.

Lastly, ENGIE's residual stake in Gaztransport & Technigaz (GTT) was also recognized under "Assets classified as held for sale" in view of the forward sale (maturing in September 2025) signed in March 2024. This transaction secures ENGIE's complete exit from the company's share capital.

2.1.2 Acquisitions carried out in first-half 2024

In total, acquisitions carried out in first-half 2024 (including financial investments in equity method entities) impacted net financial debt by €1,171 billion. The main transaction involved the acquisition of five photovoltaic complexes with a total installed capacity of 545 MW in Brazil from Atlas in March 2024. This investment is fully consolidated. This transaction had an impact of €0.6 billion on the Group's net financial debt. The Purchase Price Allocation exercise under IFRS 3 - *Business Combinations* will be finalized in the second half of 2024.

2.2 Other highlights of the period

2.2.1 Other items of net income/(loss) from operating activities

Other items of net income from operating activities amounted to €72 million at June 30, 2024.

The impact of changes in the scope of consolidation amounted to a positive €544 million in first-half 2024, mainly due to the gain on the partial disposal of TAG (€0.2 billion) and the revaluation gain on the interest in Mayakan (€0.25 billion) (*see Note 2.1*).

Moreover, in addition to the annual impairment tests on goodwill and non-amortizable intangible assets carried out in the second half of the year, the Group also tests goodwill, property, plant and equipment, intangible assets, investments in equity-accounted entities and financial assets for impairment whenever there is an indication that the asset may be impaired. During the first half of the year, the Group did not identify any major impairment risks other than those relating to the thermal assets in Pakistan that are currently being sold (*see Note 2.1.1.2*) and to an entity for which the Group has initiated a solvent liquidation process, and for which a restructuring provision has also been recorded.

2.2.2 Provisions for dismantling nuclear facilities

Following the opinion of the CNP (Commission for Nuclear Provisions) on June 24, 2024 concerning the cost of the dis-synergies caused by the extension of the Doel 4 and Tihange 3 units, the Group recognized an additional provision for dismantling of €0.2 billion, against a receivable from the Belgian State (*see Note 9 "Provisions"*).

NOTE 3 FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION

The purpose of this note is to present the main non-GAAP financial indicators used by the Group as well as their reconciliation with the indicators of the IFRS consolidated financial statements.

3.1 EBITDA

The reconciliation between EBITDA and current operating income including operating MtM and share in net income of equity method entities is as follows:

In millions of euros	June 30, 2024	June 30, 2023
Current operating income including operating MtM and share in net income of equity method entities	**4,149**	**6,490**
Mark-to-market on commodity contracts other than trading instruments	2,239	435
Net depreciation and amortization/Other	2,508	2,388
Share-based payments (IFRS 2)	22	23
Non-recurring share in net income of equity method entities	4	28
EBITDA	**8,922**	**9,365**
Nuclear	1,121	574
EBITDA excluding Nuclear	**7,801**	**8,791**

3.2 EBIT

The reconciliation between EBIT and current operating income including operating MtM and share in net income of equity method entities is as follows:

In millions of euros	June 30, 2024	June 30, 2023
Current operating income including operating MtM and share in net income of equity method entities	**4,149**	**6,490**
Mark-to-market on commodity contracts other than trading instruments	2,239	435
Non-recurring share in net income of equity method entities	4	28
EBIT	**6,392**	**6,952**
Nuclear	770	239
EBIT excluding Nuclear	**5,623**	**6,713**

3.3 Net recurring income Group share (NriGs)

Net recurring income Group share is a financial indicator used by the Group in its financial reporting to present net income Group share adjusted for unusual, abnormal or non-recurring items.

The reconciliation of net income/(loss) with net recurring income Group share is as follows:

In millions of euros	Notes	June 30, 2024	June 30, 2023
NET INCOME/(LOSS) GROUP SHARE		**1,942**	**(847)**
Net income attributable to non-controlling interests		455	630
NET INCOME/(LOSS)		**2,397**	**(217)**
Reconciliation items between "Current operating income including operating MtM and share in net income of equity method entities" and "Net income/(loss) from operating activities"		**(71)**	**4,509**
Impairment losses	*2.2*	*293*	*(382)*
Restructuring costs	*2.2*	*155*	*21*
Changes in scope of consolidation	*2.2*	*(544)*	*83*
Other non-recurring items	*2.2*	*24*	*4,787*
Other adjusted items		**1,918**	**225**
Mark-to-market on commodity contracts other than trading instruments		*2,239*	*435*
Ineffective portion of derivatives qualified as fair value hedges	*6*	*6*	*-*
Gains/(losses) on debt restructuring and early unwinding of derivative financial instruments	*6*	*-*	*(8)*
Change in fair value of derivatives not qualified as hedges and ineffective portion of derivatives qualified as cash flow hedges	*6*	*73*	*11*
Non-recurring income/(loss) from debt instruments and equity instruments	*6*	*(39)*	*215*
Other adjusted tax impacts		*(365)*	*(455)*
Non-recurring income/(loss) included in share in net income of equity method entities		*4*	*28*
NET RECURRING INCOME/(LOSS)		**4,243**	**4,517**
Net recurring income/(loss) attributable to non-controlling interests		477	471
NET RECURRING INCOME/(LOSS) GROUP SHARE		**3,766**	**4,045**

3.4 Cash flow from operations (CFFO)

The reconciliation of cash flow from operations (CFFO) with items in the statement of cash flows is as follows:

In millions of euros	June 30, 2024	June 30, 2023
Cash generated from operations before income tax and working capital requirements	7,737	9,132
Tax paid	(420)	(1,026)
Change in working capital requirements	1,657	1,418
Interests received on financial assets	237	(27)
Dividends received on equity investments	(16)	1
Interests paid	(862)	(419)
Interests received on cash and cash equivalents	398	252
Nuclear - expenditure on power plant dismantling and reprocessing, fuel storage	198	192
Change in financial assets held for investment or financing purposes	(153)	(441)
(+) Change in financial assets held for investment or financing purposes recorded in the statement of financial position and other	*153*	*441*
CASH FLOW FROM OPERATIONS (CFFO)	**8,930**	**9,523**

3.5 Capital expenditure (CAPEX) and growth CAPEX

The reconciliation of capital expenditure (CAPEX) with items in the statement of cash flows is as follows:

In millions of euros	June 30, 2024	June 30, 2023
Acquisitions of property, plant and equipment and intangible assets	4,028	3,078
Acquisitions of controlling interests in entities, net of cash and cash equivalents acquired	761	(88)
(+) Cash and cash equivalents acquired	*118*	*12*
Acquisitions of investments in equity method entities and joint operations	2	73
Acquisitions of equity and debt instruments	(2,063)	1,123
Change in loans and receivables originated by the Group and other	3,387	78
(+) Other	*(3)*	*(3)*
(-) Disposal impacts relating to DBSO [(1)] activities	-	-
(-) Financial investments Synatom / Disposal of financial assets Synatom	(1,340)	(1,102)
(+) Change in scope - Acquisitions	308	139
TOTAL CAPITAL EXPENDITURE (CAPEX)	**5,199**	**3,311**
(-) Maintenance CAPEX	(1,119)	(1,023)
TOTAL GROWTH CAPEX	**4,080**	**2,288**

(1) Develop, Build, Share & Operate; including Tax equity financing received.

3.6 Net financial debt

The reconciliation of net financial debt with items in the statement of financial position is as follows:

In millions of euros	Notes	June 30, 2024	Dec. 31, 2023
(+) Long-term borrowings	7	41,258	37,920
(+) Short-term borrowings	7	7,525	9,367
(+) Derivative instruments - carried in liabilities	7	27,169	24,561
(-) Derivative instruments hedging commodities and other items		*(26,572)*	*(23,973)*
(-) Other financial assets	7	(18,178)	(16,987)
(+) Loans and receivables at amortized cost not included in net financial debt		*13,201*	*8,891*
(+) Equity instruments at fair value		*1,181*	*2,124*
(+) Debt instruments at fair value not included in net financial debt		*2,266*	*4,558*
(-) Cash and cash equivalents	7	(17,374)	(16,578)
(-) Derivative instruments - carried in assets	7	(25,748)	(21,245)
(+) Derivative instruments hedging commodities and other items		*25,490*	*20,854*
NET FINANCIAL DEBT		**30,221**	**29,493**

3.7 Economic net debt

Economic net debt is as follows:

In millions of euros	Notes	June 30, 2024	Dec. 31, 2023
NET FINANCIAL DEBT	7	**30,221**	**29,493**
Provisions for back-end of the nuclear fuel cycle and dismantling of nuclear facilities	9	24,282	23,887
Other nuclear liabilities	9	882	816
Provisions for dismantling of non-nuclear facilities	9	1,462	1,384
Post-employment benefits - Pensions		629	957
(-) Infrastructures regulated companies		*289*	*253*
Post-employment benefits - Reimbursement rights		(242)	(242)
Post-employment benefits - Other benefits		3,811	3,962
(-) Infrastructures regulated companies		*(2,466)*	*(2,578)*
Deferred tax assets for pensions and related obligations		(889)	(1,013)
(-) Infrastructures regulated companies		*503*	*541*
Plan assets relating to nuclear provisions, inventories of uranium and receivables of Electrabel towards EDF		(12,718)	(10,944)
ECONOMIC NET DEBT		**45,764**	**46,517**

NOTE 4 SEGMENT INFORMATION

4.1 Operating segments and reportable segments

ENGIE is organized around:

- four Global Business Units (GBUs) representing the Group's four strategic activities: Renewables GBU, Networks GBU, Energy Solutions GBU, and FlexGen & Retail GBU;
- two operating entities: Nuclear and Global Energy Management & Sales ("GEMS");
- and "Other", mainly comprising Corporate functions, Tractebel since the change in managerial responsibility on May 1st, 2024, and certain holding companies.

The organization is described in Note 6 "Segment information" to the consolidated financial statements at December 31,2023.

The reportable segments are identical to the operating segments and correspond to the activities of the GBUs.

4.2 Key indicators by reportable segment

REVENUES

	June 30, 2024			June 30, 2023 (1)		
In millions of euros	External revenues	Intra-Group Revenues	Total	External revenues	Intra-Group Revenues	Total
Renewables	2,749	106	2,855	2,899	91	2,990
Networks	3,555	515	4,070	3,661	503	4,164
Energy Solutions	4,917	137	5,054	5,482	195	5,677
FlexGen	2,261	612	2,873	2,724	1,332	4,056
Retail	8,032	195	8,227	10,363	358	10,721
Nuclear	38	1,614	1,652	63	1,519	1,582
Others	15,974	2,977	18,951	21,836	(3,783)	18,054
Of which GEMS (2)	*15,573*	*2,946*	*18,519*	*21,492*	*(3,801)*	*17,691*
Elimination of internal transactions	-	(6,157)	(6,157)	-	(216)	(216)
TOTAL REVENUES	**37,525**	**-**	**37,525**	**47,028**	**-**	**47,028**

(1) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at January 1st, 2024. The internal reclassifications are not material and concern the transfer of Tractebel from Energy Solutions to Others. Comparative data at June 30, 2023 have been restated accordingly.

EBITDA

In millions of euros	June 30, 2024	June 30, 2023 (1)
Renewables	1,713	1,513
Networks	2,097	2,292
Energy Solutions	505	363
FlexGen	1,160	969
Retail	422	614
Others	1,904	3,038
Of which GEMS	*2,087*	*3,260*
TOTAL EBITDA excluding Nuclear	**7,801**	**8,790**
Nuclear	1,121	574
TOTAL EBITDA	**8,922**	**9,364**

(1) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at January 1st, 2024. The internal reclassifications are not material and concern the transfer of Tractebel from Energy Solutions to Others. Comparative data at June 30, 2023 have been restated accordingly.

EBIT

In millions of euros	June 30, 2024	June 30, 2023 (1)
Renewables	1,325	1,192
Networks	1,151	1,358
Energy Solutions	266	132
FlexGen	957	761
Retail	304	489
Others	1,620	2,781
Of which GEMS	*1,946*	*3,142*
TOTAL EBIT excluding Nuclear	**5,623**	**6,713**
Nuclear	770	239
TOTAL EBIT	**6,392**	**6,952**

(1) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at January 1st, 2024. The internal reclassifications are not material and concern the transfer of Tractebel from Energy Solutions to Others. Comparative data at June 30, 2023 have been restated accordingly.

CAPITAL EXPENDITURE

In millions of euros	June 30, 2024	June 30, 2023 (1)
Renewables	2,823	1,378
Networks	1,091	865
Energy Solutions	450	380
FlexGen	466	309
Retail	108	112
Nuclear	138	98
Others	123	168
Of which GEMS	*99*	*81*
TOTAL CAPEX	**5,199**	**3,311**

(1) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at January 1st, 2024. The internal reclassifications are not material and concern the transfer of Tractebel from Energy Solutions to Others. Comparative data at June 30, 2023 have been restated accordingly.

GROWTH CAPEX

In millions of euros	June 30, 2024	June 30, 2023 (1)
Renewables	2,755	1,336
Networks	504	327
Energy Solutions	365	314
FlexGen	376	186
Retail	74	76
Nuclear	29	7
Others	(23)	42
Of which GEMS	*41*	*37*
TOTAL GROWTH CAPEX	**4,080**	**2,288**

(1) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at January 1st, 2024. The internal reclassifications are not material and concern the transfer of Tractebel from Energy Solutions to Others. Comparative data at June 30, 2023 have been restated accordingly.

4.3 Key indicators by geographic area

The amounts set out below are analyzed by:

- destination of products and services sold for revenues;
- geographic location of consolidated companies for industrial capital employed.

	Revenues	
In millions of euros	**June 30, 2024**	**June 30, 2023**
France	16,895	20,632
Belgium	3,403	5,903
Other EU countries	7,804	10,151
Other European countries	2,129	2,543
North America	2,765	2,513
Asia, Middle East & Oceania	2,150	2,797
South America	2,198	2,368
Africa	182	121
TOTAL	**37,525**	**47,028**

Due to the variety of its businesses and their geographical location, the Group serves a very diverse range of situations and customer types (industry, local authorities and individual customers). Accordingly, no external customer represents individually 10% or more of the Group's consolidated revenues.

NOTE 5 REVENUES

5.1 Revenues

Revenues from contracts with customers concern revenues from contracts that fall within the scope of IFRS 15 – *Revenue from Contracts with Customers* (*see Note 7 "Revenues" to the consolidated financial statements for the year ended December 31, 2023*).

Revenues from other contracts, corresponding to revenues from operations that do not fall within the scope of IFRS 15, presented in the "Others" column include trading, lease or concession income, as well as any financial component of operating services, and the effects of the tariff shield mechanisms.

The table below shows a breakdown of revenues:

In millions of euros	Sales of gas	Sales of electricity and other energies	Sales of services linked to infrastructures	Constructions, installations, and O&M	Others	June 30, 2024
Renewables	-	2,506	38	69	136	**2,749**
Networks	54	3	3,199	196	104	**3,555**
Energy Solutions	168	1,868	44	2,792	45	**4,917**
FlexGen	47	1,727	155	218	114	**2,261**
Retail	3,736	3,375	119	438	364	**8,032**
Nuclear	-	2	5	21	9	**38**
Others	5,440	8,721	133	416	1,263	**15,974**
Of which GEMS	*5,440*	*8,721*	*131*	*17*	*1,263*	***15,573***
TOTAL REVENUES	**9,444**	**18,203**	**3,692**	**4,151**	**2,035**	**37,525**

In millions of euros	Sales of gas	Sales of electricity and other energies	Sales of services linked to infrastructures	Constructions, installations, and O&M	Others	June 30, 2023 (1)
Renewables	-	2,676	53	121	49	**2,899**
Networks	67	3	3,272	210	109	**3,661**
Energy Solutions	140	2,573	45	2,685	39	**5,482**
FlexGen	55	2,281	135	196	57	**2,724**
Retail	4,880	3,627	230	483	1,143	**10,363**
Nuclear	-	3	3	12	45	**63**
Others	8,160	10,549	191	368	2,568	**21,837**
Of which GEMS	*8,160*	*10,549*	191	*24*	*2,568*	**21,492**
TOTAL REVENUES	**13,302**	**21,711**	**3,930**	**4,075**	**4,010**	**47,028**

(1) Certain internal reclassifications, which have no impact on the total, have been made between the business lines at January 1st, 2024. The internal reclassifications are not material and concern the transfer of Tractebel from Energy Solutions to Others. Comparative data at June 30, 2023 have been restated accordingly.

5.2 Trade and other receivables, assets and liabilities from contracts with customers

5.2.1 Trade and other receivables and assets from contracts with customers

In millions of euros	June 30, 2024	Dec. 31, 2023
Trade and other receivables, net	12,188	20,092
Of which IFRS 15	*6,488*	*8,083*
Of which non-IFRS15	*5,700*	*12,009*
Assets from contracts with customers	7,632	9,531
Accrued income and unbilled revenues	*6,181*	*6,989*
Energy in the meter (1)	*1,451*	*2,542*

(1) Net of advance payments.

Contract assets include accrued income and unbilled revenues, and delivered, un-metered and unbilled gas and electricity ("energy in the meter").

5.2.2 Liabilities from contracts with customers

	June 30, 2024			Dec. 31, 2023		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total
Liabilities from contracts with customers	110	2,961	3,072	93	3,960	4,053
Advances and downpayments received	*28*	*2,080*	*2,109*	*23*	*2,998*	*3,020*
Deferred revenues	*82*	*881*	*963*	*71*	*963*	*1,033*

NOTE 6 NET FINANCIAL INCOME/(LOSS)

In millions of euros	Expense	Income	June 30, 2024	Expense	Income	June 30, 2023
Interest expense on gross debt and hedges	*(1,061)*	-	*(1,061)*	*(840)*	-	*(840)*
Cost of lease liabilities	*(59)*	-	*(59)*	*(45)*	-	*(45)*
Foreign exchange gains/losses on borrowings and hedges	*(20)*	-	*(20)*	*(29)*	-	*(29)*
Ineffective portion of derivatives qualified as fair value hedges	*(6)*	-	*(6)*	-	-	-
Gains and losses on cash and cash equivalents and liquid debt instruments held for cash investment purposes	-	*430*	*430*	-	*236*	*236*
Capitalized borrowing costs	*124*	-	*124*	*121*	-	*121*
Cost of net debt [(1)]	**(1,023)**	**430**	**(593)**	**(793)**	**236**	**(558)**
Expenses on debt restructuring transactions	-	-	-	-	*8*	*8*
Gains/(losses) on debt restructuring and early unwinding of derivative	**-**	**-**	**-**	**-**	**8**	**8**
Net interest expense on post-employment benefits and other long-term benefits	*(77)*	-	*(77)*	*(80)*	-	*(80)*
Unwinding of discounting adjustments to other long-term provisions	*(459)*	-	*(459)*	*(329)*	-	*(329)*
Change in fair value of derivatives not qualified as hedges and ineffective portion of derivatives qualified as cash flow hedges	*(73)*	-	*(73)*	*(14)*	-	*(14)*
Income/(loss) from debt instruments and equity instruments [(2)]	-	*21*	*21*	*(227)*	-	*(227)*
Interest income on loans and receivables at amortized cost	-	*134*	*134*	-	*31*	*31*
Other	*(194)*	*219*	*25*	*(362)*	*204*	*(158)*
Other financial income and expenses	**(802)**	**373**	**(429)**	**(1,012)**	**235**	**(778)**
NET FINANCIAL INCOME/(LOSS)	**(1,825)**	**803**	**(1,022)**	**(1,806)**	**479**	**(1,327)**

(1) *The cost of net debt at June 30, 2024 is higher than in first-half 2023, by €35 million.*

(2) *Income/(Loss) from debt instruments and equity instruments mainly include the change in fair value of bonds and money market funds held by Synatom.*

NOTE 7 FINANCIAL INSTRUMENTS

7.1 Financial assets

The following table presents the Group's different categories of financial assets, broken down into current and non-current items:

In millions of euros	Notes	June 30, 2024 Non-current	June 30, 2024 Current	June 30, 2024 Total	Dec. 31, 2023 Non-current	Dec. 31, 2023 Current	Dec. 31, 2023 Total
Other financial assets	-	16,071	2,106	18,178	14,817	2,170	16,987
Equity instruments at fair value through other comprehensive income		*934*	*-*	*934*	*1,902*	*-*	*1,902*
Equity instruments at fair value through income		*247*	*-*	*247*	*222*	*-*	*222*
Debt instruments at fair value through other comprehensive income		*1,281*	*53*	*1,335*	*1,753*	*119*	*1,873*
Debt instruments at fair value through income		*1,197*	*667*	*1,864*	*2,915*	*654*	*3,569*
Loans and receivables at amortized cost		*12,412*	*1,386*	*13,798*	*8,024*	*1,397*	*9,421*
Trade and other receivables	5.2	-	12,188	12,188	-	20,092	20,092
Assets from contracts with customers	5.2	3	7,629	7,632	1	9,530	9,531
Cash and cash equivalents		-	17,374	17,374	-	16,578	16,578
Derivative instruments	7.4	6,303	19,445	25,748	12,764	8,481	21,245
TOTAL		**22,377**	**58,742**	**81,119**	**27,582**	**56,850**	**84,433**

7.2 Financial liabilities

The following table presents the Group's different financial liabilities at June 30, 2024, broken down into current and non-current items:

In millions of euros	Notes	June 30, 2024 Non-current	June 30, 2024 Current	June 30, 2024 Total	Dec. 31, 2023 Non-current	Dec. 31, 2023 Current	Dec. 31, 2023 Total
Borrowings and debt	7.3	41,258	7,525	48,784	37,920	9,367	47,287
Trade and other payables		-	22,094	22,094	-	22,976	22,976
Liabilities from contracts with customers	5.2	110	2,961	3,072	93	3,960	4,053
Derivative instruments	7.4	8,171	18,999	27,169	16,755	7,806	24,561
Other financial liabilities		109	-	109	82	-	82
TOTAL		**49,649**	**51,579**	**101,228**	**54,851**	**44,087**	**98,938**

7.3 Net financial debt

7.3.1 Net financial debt by type

		June 30, 2024			Dec. 31, 2023		
In millions of euros		Non-current	Current	Total	Non-current	Current	Total
Borrowings and debt	Bond issues	32,621	1,076	33,697	29,217	1,039	30,256
	Bank borrowings	6,209	676	6,885	5,985	763	6,748
	Negotiable commercial paper	-	4,018	4,018	-	5,606	5,606
	Lease liabilities	2,567	510	3,077	2,677	470	3,147
	Other borrowings	(138)	1,017	879	41	1,034	1,074
	Bank overdrafts and current account	-	229	229	-	455	455
	BORROWINGS AND DEBT	**41,258**	**7,525**	**48,784**	**37,920**	**9,367**	**47,287**
Other financial assets	Other financial assets deducted from net financial debt (1)	**(345)**	**(1,184)**	**(1,529)**	**(303)**	**(1,111)**	**(1,414)**
Cash and cash equivalents	Cash and cash equivalents	**-**	**(17,374)**	**(17,374)**	**-**	**(16,578)**	**(16,578)**
Derivative instruments	Derivatives hedging borrowings	**319**	**21**	**340**	**177**	**20**	**198**
NET FINANCIAL DEBT		**41,232**	**(11,012)**	**30,221**	**37,795**	**(8,302)**	**29,493**

(1) This item notably corresponds to assets related to financing for €76 million, liquid debt instruments held for cash investment purposes for €933 million and margin calls on derivatives hedging borrowings carried in assets for €520 million (compared to €105 million, €884 million and €425 million respectively at December 31, 2023).

The fair value of gross borrowings and debt (excluding lease liabilities) amounted to €43,786 million at June 30, 2024, compared with a carrying amount of €45,627 million.

Financial income and expenses related to borrowings and debt are presented in Note 6 "Net financial income/(loss)".

7.3.2 Main events of the period

7.3.2.1 Impact of changes in the scope of consolidation and in exchange rates on net financial debt

In first-half 2024, changes in exchange rates resulted in a €7 million decrease in net financial debt, including a €216 million increase in relation to the US dollar and a €303 million decrease in relation to the Brazilian real.

Disposals and acquisitions during the first half of 2024 (including the effects of changes in the scope of consolidation) impacted net debt by €739 million (*see Note 2 "Main changes in Group structure and other highlights of the period"*). This change mainly reflects:

- the sale of a 15% stake in TAG for €0.4 billion, in January 2024;
- the acquisition of five photovoltaic complexes in Brazil for €0.6 billion, in March 2024;
- the acquisition of nine wind farms and one photovoltaic park in France for €0.1 billion, in May 2024;
- the purchase of a 50% stake in a wind power project and a photovoltaic project in Mexico for €0.1 billion, in February 2024 (projects now wholly owned and fully consolidated by the Group);
- the acquisition of an additional 12% stake in ENGIE Romania for €0.1 billion, in February 2024.

7.3.2.2 Financing and refinancing transactions

The Group carried out the following main transactions in first-half 2024:

	Entity	Type	Currency	Coupon	Issue date	Maturity date	Outstanding amount (in millions of currency)	Outstanding amount (in millions of euros)
Issues								
	ENGIE SA	bonds	€	3.625%	3/6/2024	3/6/2031	600	600
	ENGIE SA	green bonds	€	3.875%	3/6/2024	3/6/2036	800	800
	ENGIE SA	green bonds	€	4.25%	3/6/2024	3/6/2044	600	600
	ENGIE SA	US bonds US	$	5.25%	4/10/2024	4/10/2029	750	701
	ENGIE SA	US bonds US	$	5.625%	4/10/2024	4/10/2034	750	701
	ENGIE SA	US bonds US	$	5.875%	4/10/2024	4/10/2054	500	467
Reimbursements								
	ENGIE SA	bonds	JPY	0.535%	9/16/2015	1/16/2024	20,000	123
	ENGIE SA	bonds	€	0.875%	3/27/2017	3/27/2024	480	480
	ENGIE SA («GDF SUEZ»)	bonds	NOK	4.02%	4/22/2013	4/22/2024	500	44

7.4 Derivative instruments

Derivative instruments recognized in assets and liabilities are measured at fair value and break down as follows:

	June 30, 2024						Dec. 31, 2023					
	Assets			Liabilities			Assets			Liabilities		
In millions of euros	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Derivatives hedging borrowings	181	76	258	500	97	597	279	111	390	457	131	588
Derivatives hedging commodities	4,506	19,331	23,836	6,350	18,839	25,189	10,984	8,344	19,328	15,132	7,516	22,648
Derivatives hedging other items (1)	1,616	38	1,654	1,321	62	1,383	1,501	26	1,526	1,167	159	1,325
TOTAL	**6,303**	**19,445**	**25,748**	**8,171**	**18,999**	**27,169**	**12,764**	**8,481**	**21,245**	**16,755**	**7,806**	**24,561**

(1) Derivatives hedging other items mainly include the interest rate component of interest rate derivatives (not qualified as hedges or qualified as cash flow hedges) that are excluded from net financial debt, as well as net investment hedge derivatives.

During first-half 2024, the Group did not make any material changes to the classification of financial instruments and did not recognize any material transfers between levels in the fair value hierarchy.

The net amount of derivatives hedging commodities recognized in the statement of financial position is measured after taking into account offsetting agreements that meet the criteria set out in paragraph 42 of IAS 32. This offsetting has generated significant balance sheet effects in 2024 of approximately €5.6 billion and mainly concerns OTC derivatives concluded with counterparties for which the contractual terms provide for a net settlement of the transactions as well as a collateralization agreement (margin calls).

NOTE 8 RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Group mainly uses derivative instruments to manage its exposure to market risks. Financial risk management procedures are set out in Chapter 2 "Risk factors and internal control" of the 2023 Universal Registration Document.

8.1 Market risks

8.1.1 Commodities risk

8.1.1.1 Portfolio management activities

Sensitivities of the commodity-related derivatives portfolio used as part of the portfolio management activities at June 30, 2024 are detailed in the table below.

These assumptions do not constitute an estimate of future market prices and are not representative of future changes in consolidated earnings and equity, insofar as they do not include, in particular, the sensitivities relating to the underlying hedged items (commodity purchase and sale contracts) which are not recognized at fair value.

Sensitivity analysis [(1)]

		June 30, 2024		Dec. 31, 2023	
In millions of euros	Price changes	Pre-tax impact on income	Pre-tax impact on other comprehensive income	Pre-tax impact on income	Pre-tax impact on other comprehensive income
Oil-based products	+USD 10/bbl	-	75	-	64
Natural gas - Europe	-€10/MWh	(356)	(821)	(411)	(1,288)
Natural gas - Europe	+€10/MWh	340	821	398	1,288
Natural gas - Rest of the world	+€3/MWh	66	184	37	138
Electricity - Europe	-€20/MWh	(387)	79	(353)	338
Electricity - Europe	+€20/MWh	387	(80)	353	(338)
Electricity - Rest of the world	+€5/MWh	(285)	-	(166)	-
Greenhouse gas emission rights	+€2/ton	19	10	12	9
EUR/USD	+10%	84	(173)	(40)	(111)
EUR/GBP	+10%	1	-	66	-

(1) The sensitivities shown above apply solely to financial commodity derivatives used for hedging purposes as part of the portfolio management activities.

The sensitivity of equity to European electricity price changes is due to the application, since 2023, of cash flow hedge accounting to certain supply activities in France, Belgium and the Netherlands, as well as on some of our production facilities in the same areas.

8.1.1.2 Trading activities

The entities carrying out the Group's trading activities operate on organized or OTC markets in derivative instruments such as futures, forwards, swaps, or options. Exposure to trading activities is strictly governed by daily monitoring of compliance with Value at Risk (VaR) limits.

The use of Value at Risk (VaR) to quantify market risk arising from trading activities provides a transversal measure of risk taking all markets and products into account. VaR represents the maximum potential loss on a portfolio over a specified holding period based on a given confidence interval. It is not an indication of expected results but is back-tested on a regular basis.

The Group uses a one-day holding period and a 99% confidence interval to calculate VaR, as well as stress tests, in accordance with banking regulatory requirements.

The VaR shown below corresponds to the global VaR of the Group's trading entities.

Value at Risk

In millions of euros	June 30, 2024	2024 average (1)	2024 maximum (2)	2024 minimum (2)	2023 average (1)
Trading activities	14	16	30	8	15

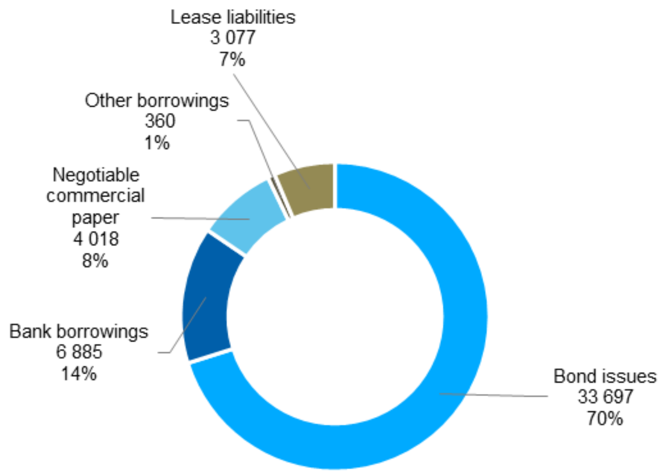
(1) Average daily VaR.
(2) Maximum and minimum daily VaR observed in 2024.

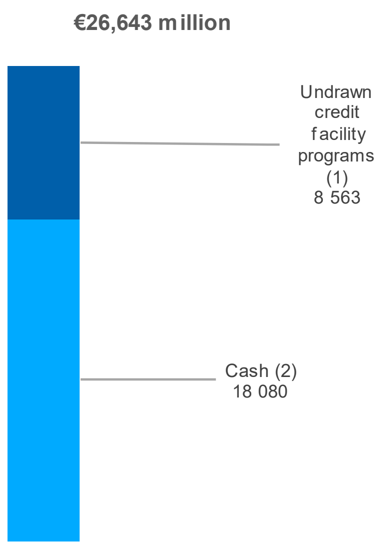
8.2 Liquidity risk

In the context of its operating activities, the Group is exposed to a risk of having insufficient liquidity to meet its contractual obligations. In addition to the risks inherent in managing working capital requirements (WCR), margin calls are required in certain market activities, which are a way of mitigating counterparty risk on hedging instruments through the use of collateral.

The various actions taken by the Group ensure a high and reinforced level of liquidity, and have not undergone any significant change since December 31, 2023.

Diversifying sources of financing and liquidity
In millions of euros





(1) Net of negotiable commercial paper.
(2) Including cash and cash equivalents for €17,374 million, other financial assets reducing net financial debt for €933 million, net of bank overdrafts and cash current accounts for €227 million.

8.2.1 Undiscounted contractual payments relating to financial activities

Undiscounted contractual payments on outstanding borrowings and debt by maturity

In millions of euros	2024	2025	2026	2027	2028	Beyond 5 years	Total at June 30, 2024	Total at Dec. 31, 2023
Bond issues	337	1,285	2,901	3,105	3,218	22,850	**33,697**	30,256
Bank borrowings	297	624	471	686	265	4,542	**6,885**	6,748
Negotiable commercial paper	3,969	49	-	-	-	-	**4,018**	5,606
Lease liabilities	297	222	408	323	263	2,138	**3,077**	3,147
Other borrowings	53	21	1	1	5	279	**360**	366
Bank overdrafts and current accounts	229	-	-	-	-	-	**229**	455

Other financial assets and cash and cash equivalents deducted from net financial debt have a liquidity of less than one year.

NOTE 9 PROVISIONS

In millions of euros	Post-employment and other long-term benefits	Back-end of the nuclear fuel cycle and dismantling of nuclear facilities	Dismantling of non-nuclear facilities	Other contingencies	Total
AT DECEMBER 31, 2023	**5,208**	**23,887**	**1,384**	**2,114**	**32,593**
Additions	138	236	4	306	684
Utilizations	(206)	(195)	(23)	(314)	(738)
Reversals	-	-	-	47	47
Changes in scope of consolidation	-	-	23	-	23
Impact of unwinding discount adjustments	83	335	23	8	450
Translation adjustments	(6)	-	11	(2)	4
Other	(421)	19	39	(7)	(371)
AT JUNE 30, 2024	**4,796**	**24,282**	**1,462**	**2,151**	**32,692**
Non-current	4,715	11,905	1,410	328	**18,358**
Current (1)	81	12,378	53	1,823	**14,334**

(1) The classification of liabilities as current or non-current reflects the effects of the agreements signed with the Belgian government on December 13, 2023 (see Note 17.2 to the consolidated financial statements for the year ended December 31, 2023). The Group will settle a large portion of this liability (€11.5 billion$_{2022}$) when the laws transposing this agreement come into force, and will settle the remaining balance (€3.5 billion$_{2022}$) when the extended units are restarted.

9.1 Post-employment benefits and other long-term benefits

Discount rates have increased by around 25 basis points across all geographical regions, reducing the amount of commitments by around €0.4 billion compared with December 31, 2023.

9.2 Obligations relating to nuclear power generation activities

9.2.1 Decision of the Commission for Nuclear Provisions of June 24, 2024 on the impact on dismantling provisions of a ten-year extension of Doel 4 and Tihange 3

As part of the agreements reached on December 13, 2023 between Electrabel and the Belgian State concerning the decision to extend the lifetime of the two nuclear reactors Tihange 3 and Doel 4 by ten years, the parties have agreed that the Belgian State will bear the increase in dismantling costs relating to the dis-synergies generated by the change to the initial scenario, which provided for the units to be dismantled in series rather than on a deferred basis for two of them. At June 30, 2024, the Group therefore recognized an additional provision for dismantling of €0.2 billion, against a receivable from the Belgian State. This amount was confirmed by the Commission for Nuclear Provisions (CNP) in its opinion of June 24, 2024.

The closing of the final agreement of December 2023 with the Belgian State is subject to the approval of the European Commission, which should take place at the end of 2024, the legislative texts having been adopted by the Chamber of Representatives in April 2024.

9.2.2 Financial assets set aside to cover nuclear provisions

The financial assets set aside to cover nuclear provisions are presented in Note 17.2.4 to the consolidated financial statements for the year ended December 31, 2023. Change in loans to non-Group legal entities and other cash in first-half of 2024 were as follows:

In millions of euros	June 30, 2024	Dec. 31, 2023
Loans to third parties	**2**	**3**
Cash awaiting investment and cash UCITS	**8 582**	**3 777**
Total loans and receivables at amortized cost	**8 585**	**3 780**
Equity and debt instruments at fair value	671	1 640
Equity instruments at fair value through other comprehensive income	25	25
Equity instruments at fair value through income	**696**	**1 665**
Debt instruments at fair value through other comprehensive income	1,335	1,873
Debt instruments at fair value through income	915	2,663
Debt instruments at fair value	**2,250**	**4,536**
Total equity and debt instruments at fair value	**2,945**	**6,201**
Derivative instruments	**69**	**3**
TOTAL (1)	**11,599**	**9,984**

(1) Not including €335 million in uranium inventories at June 30, 2024 (€307 million at December 31, 2023).

At June 30, 2024, investments in funds to be liquidated under the agreement signed with the Belgian State amounted to €8.5 billion.

NOTE 10 RELATED PARTY TRANSACTIONS

The related party transactions described in Note 20 to the consolidated financial statements for the year ended December 31, 2023 did not change significantly in first-half 2024.

NOTE 11 LEGAL AND ANTI-TRUST PROCEEDINGS

The Group is party to a number of legal and anti-trust proceedings with third parties or with legal and/or administrative authorities (including tax authorities) in the normal course of its business.

Disputes and investigations are described in Note 23 to the consolidated financial statements for the year ended December 31, 2023. The developments in disputes and investigations during the first half of 2024 are presented below.

11.1 FlexGen

11.1.1 Peru – Antamina

In 2012, following a tender for the annual purchase of 170 MW for a period extending from 2015 until 2032, ENGIE Energía Perú S.A. entered into a long-term gas purchase agreement with the Peruvian mining company Antamina (the "Agreement").

In 2021, however, Antamina launched another tender for the same annual volume and entered into three purchase agreements with three new suppliers for a period starting January 2022, until June 2024. This called into question the exclusivity that ENGIE Energía Perú S.A. believed it had been granted until 2032 under the Agreement. Following the signing of these new agreements, Antamina divided its gas procurement between ENGIE and the three new suppliers, and refused, as of January 2022, to accept exclusively from ENGIE delivery of the agreed upon quantity of gas under the Agreement and, consequently, to pay the corresponding invoices (approximately 50% of the monthly needs of Antamina).

On April 26, 2022, ENGIE Energía Perú S.A. filed an arbitration procedure against Antamina, seeking recognition of the exclusive nature of the Agreement and Antamina's obligation to only procure gas supplies from ENGIE up to the 170 MW gas contracted, from the start date of the Agreement (January 2015) until the end date (December 2032). The procedure also seeks the payment of invoices that have been outstanding since January 2022. The arbitration procedure is governed by the rules of the Arbitration Center of the Lima Chamber of Commerce. On January 4, 2023, ENGIE Energía Perú S.A. filed its statement of claim.

On May 20, 2024, the Arbitration Center issued its decision, which was favorable to ENGIE Energía Perú S.A. The Arbitration Center ruled that ENGIE Energía Perú S.A. was to be the sole supplier of Antamina for up to 170 MW per year, and that Antamina was in breach of the signed Agreement when contracting with third-party suppliers. This award may still be challenged by Antamina, on very specific grounds.

11.1.2 Italy – Vado Ligure

On March 11, 2014, the Court of Savona seized and closed down the VL3 and VL4 coal-fired production units at the Vado Ligure thermal power plant belonging to Tirreno Power S.p.A. (TP), a company which is 50%-owned by the ENGIE group. This decision was taken as part of a criminal investigation against the present and former executive managers of TP into environmental infringements and public health risks. The investigation was closed on July 20, 2016. The case was referred to the Court of Savona to be tried on the merits. The proceedings before the Court of First Instance began on December 11, 2018 and carried on into 2023, seeking the liability of the former members of the Board of Directors and management. Third parties, including the Italian Ministry of the Environment and Ministry of Health, joined the proceedings to claim damages. On October 3, 2023, the Court of Savona acquitted all 26 directors and managers of all charges. The subsidiary Tirreno Power SpA, in which ENGIE has a 50% stake, was also acquitted. The decision was notified in January 2024. The public prosecutor appealed the decision in February 2024 along with the Ministry of Health, the Ministry of the Environment, and two citizens associations.

11.1.3 Italy – exceptional tax on the energy sector

In December 2022, ENGIE filed an action against the tax authorities to obtain the reimbursement of the tax it had paid in July and November 2022 for a total amount of more than €308 million, pursuant to two legislative decrees (no. 21 and no. 50/2022) that introduced an exceptional solidarity contribution to be paid by operators in the energy sector. ENGIE contests the validity of the basis of the tax in relation to the decree's objective, its compatibility with the Italian Constitution and its compatibility with Italy's European commitments (EU law). In December 2023, the Milan Court of First Instance asked the Italian Constitutional Court to rule on the constitutionality of the tax as part of the proceedings launched by ENGIE. The hearing before the Constitutional Court took place on April 10, 2024 and the decision issued on June 27 was not favorable to ENGIE.

11.1.4 Chile – ENGIE Australe

The Chilean tax authorities (SII) contest the price at which ENGIE Austral (ENAU) sold its shares in Eolica Monte Redondo (EMR) to ENGIE Energía Chile (EECL) in 2020 alleging that the price at which ENAU sold EMR to EECL was significantly below market price. The price at which ENAU sold EMR to EECL was based on an external and independent valuation and opinion which was also supported by an independent market advisor. On June 28, 2024, the SII ordered ENAU to pay a penalty of 62 million of American dollars, plus interest and fines, totaling 108 million of American dollars. ENAU strongly disputes the reassessment and will take appropriate actions.

11.2 Nuclear

11.2.1 Appeal against the Belgian energy regulator's decision implementing the law of December 16, 2022 introducing a cap on electricity producers' market revenues

Electrabel lodged an appeal with the Belgian Market Court (*Cour des Marchés*) on March 29, 2023 against the decision of the Belgian energy regulator (CREG) to implement the December 16, 2022 law introducing a cap on electricity producers' market revenues for 2022. Electrabel lodged a second action for annulment with the same court against the same regulator's decision for 2023 revenues.

Electrabel contests the validity of this revenue cap, arguing that it is contrary to the European Regulation that introduced it, notably because it falsely determines market revenues using presumptions and not on the basis of revenues actually received, as provided for by the Regulation, and because it is implemented retroactively from August 1st, 2022, outside the period covered by the Regulation. The Market Court handed down its ruling in the first case on October 18, 2023, finding that the action was admissible and prima facie founded, and referred three questions to the Court of Justice of the European Union for a preliminary ruling. The second case was heard on January 10, 2024, and the ruling handed down on January 31 suspends delivery until the Court of Justice of the European Union has ruled on the first case.

An appeal was also lodged with the Constitutional Court in June 2023, and was joined with the actions for annulment lodged by the various partie., The Court handed down its ruling on June 20, 2024, referring 15 questions to the Court of Justice of the European Union for a preliminary ruling. Pending the judgement, and in addition to the above mentioned appeals, a claim for restitution of the tax has been lodged for 2022 and 2023, as well as an appeal to the Court of First Instance for the annulment of the 2022 and 2023 taxes.

In addition, the arbitration procedure initiated by Electrabel in October 2023 in application of the Tihange 1 and Doel 1 and 2 agreements following the adoption of the law of December 16, 2022 introducing a cap on electricity producers' market revenues is still ongoing.

11.3 Other

11.3.1 Poland – Competition procedure

On November 7, 2019, a fine of 172 million Polish zloty (€40 million) was imposed on ENGIE Energy Management Holding Switzerland AG (EEMHS) for failing to respond to a request for disclosure of documents from the Polish Competition Authority (UOKiK) in proceedings initiated by the UOKiK which suspected a potential failure to notify by EEMHS and other financial investors involved in the financing of the Nord Stream 2 pipeline (main proceeding). EEMHS filed an appeal with the Competition Protection Court. On November 7, 2023, the Court reduced the penalty to around €100,000. The UOKiK has appealed this decision to the Warsaw Court of Appeal (second instance). The proceedings are pending.

In the context of the main proceedings, on October 6, 2020, the UOKiK ordered EEMHS to pay a fine of 55.5 million Polish zlotys (approximately €12.3 million). The UOKiK also ordered the termination of the financing agreements for the Nord Stream 2 project. On November 5, 2020, EEMHS appealed this decision with the Competition Protection Court (the “Court”). The appeal automatically suspends the execution of all of the penalties ordered by the UOKiK. On November 21, 2022, the Court overturned the UOKiK’s decision in its entirety. The UOKiK has appealed this decision. On October 16, 2023, the Warsaw Court of Appeal (second instance) upheld the lower court’s decisions, which overturned the UOKIK’s decision in its entirety. The UOKiK has not lodged an appeal before the court of cassation. The proceedings are now definitively closed.

11.3.2 Transfer price of gas

The Belgian tax authorities’ Special Tax Inspectorate has issued two tax deficiency notices in respect of taxable income for fiscal years 2012 and 2013 for an aggregate amount of €706 million, considering that the price applied for the supply of gas by ENGIE (then GDF SUEZ) to Electrabel SA was excessive. In 2018, ENGIE and Electrabel S.A. challenged this adjustment and submitted a request for conciliation proceedings, which was concluded in May 2024. The amount corrected by the Belgian authorities was substantially reduced, and France accepted a partial correlative adjustment of €55 million.

NOTE 12 SUBSEQUENT EVENTS

No significant events have occurred since the closing of the accounts at June 30, 2024.

04 STATEMENT BY THE PERSON RESPONSIBLE FOR THE FIRST-HALF FINANCIAL REPORT

Party responsible for the First-half Financial Report

Catherine MacGregor, Chief Executive Officer.

Declaration by the party responsible for First-half Financial Report

“I hereby certify that, to the best of my knowledge, the condensed interim consolidated financial statements for six months ended June 30, 2024 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and net income or loss of the Company and all the entities included in the consolidation, and that the interim management report presents a fair view of the significant events of first-half 2024, their impact on the interim financial statements, the main related party transactions and describes the main risks and uncertainties to which the Group is exposed for the second half of 2024.”

Courbevoie, August 1st, 2024

The Chief Executive Officer

Catherine MacGregor

05 STATUTORY AUDITORS' REVIEW REPORT ON THE FIRST-HALF FINANCIAL INFORMATION

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting and in accordance with the requirements of Article L.451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying interim condensed consolidated financial statements of ENGIE for the half-year ended June 30, 2024;
- the verification of the information contained in the half-year management report.

These interim condensed consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the interim condensed consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the interim condensed consolidated financial statements.

Paris-La Défense, August 1st, 2024

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES		**ERNST & YOUNG et Autres**	
Laurence Dubois	Nadia Laadouli	Sarah Kokot	Guillaume Rouger

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